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ABSTRACT

The voucher plan--a proposal to give parents the right and the financial means in the form of a voucher to send their child to the public, private, or parochial school of their choice--was developed as a "model" and, necessarily, without great sensitivity to differences among local school districts. The San Francisco Unified School District assessed the feasibility of the voucher model as it applies to the San Francisco school environment. This feasibility study differs from that recommended by the Office of Economic Opportunity (OEO), which appeared to take the position that the voucher plan is worth a test even if the benefits for a local school district were less than clear. The San Francisco district believed that it would be unwise for the school district to embark on an experimental program of any kind unless the prospect of improving education thereby was reasonably assured. The principal criteria used to measure voucher feasibility relate to the plan's relevance and realism in terms of the local school environment and prospects for improving the schools; acceptability of the plan by participating schools, public and nonpublic, and parents and teachers; the timing and scale of the proposed demonstration; and its workability--administrative detail, personnel matters, and legality. Study information was gathered through surveys of various segments of the educational community and open meetings in schools. Findings and recommendations are included. (Author/JF)

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A FEASIBILITY REPORT ON EDUCATION VOUCHERS

Prepared for the

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

By

ABT ASSOCIATES, INC.
SAN FRANCISCO, CALIFORNIA

February, 1972

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What would be the attitude of a society capable of such continuous renewal? First of all, it would be characterized by pluralism -- by variety, alternatives, choices, and multiple foci of power and initiative.

- John Gardner

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Brian Fogarty
Project Director

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I. INTRODUCTION

A. Background

Abt Associates, Inc. was commissioned by the San Francisco Unified School District to perform a feasibility study of the "education voucher" plan under a grant from the U.S. Office of Economic Opportunity. The education voucher plan -- developed by a Cambridge research organization, the Center for the Study of Public Policy[1] -- is a proposal to give parents the right and financial means, in the form of a voucher, to send their child to the public, private or parochial school of their choice. The Federal government has encouraged local school districts to try the voucher plan on an experimental basis, and has offered to provide the extra funds needed to plan and operate a demonstration program.

The San Francisco Unified School District is one of three school districts in the nation currently studying the voucher plan; the others are Alum Rock, California and Seattle, Washington. It is to the San Francisco School Board's credit that they agreed to sponsor a study of this ambitious and somewhat controversial proposal. Many other school boards approached declined to conduct feasibility studies both because the benefits of the plan seemed ephemeral and because of concerted opposition from professional educators' associations and other groups.

The voucher plan was developed as a "model" and, necessarily, without great sensitivity to differences among local school districts -- hence OEO's support of local feasibility studies. Our task was to assess the feasibility of the voucher model as it applies to the San Francisco school environment and to see whether an appropriate voucher plan could be designed "in keeping with state and federal laws, the guidelines of the U.S. Office of Economic Opportunity, and the criteria of the San Francisco Unified School District".

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[1] Center for the Study of Public Policy, Education Vouchers, Cambridge, Massachusetts, December 1970.

These criteria were that "such educational voucher plan will in no way impede the plans for integration of the School District" nor "violate the Constitutional principles of separation of church and state". There are other voucher plans and other approaches to equalizing educational resources,[2] but our study task was to "consider only scholarship programs that conform to the OEO and San Francisco Unified School District criteria".

The study was undertaken during a period of major change and turbulence for the schools, the parents and the children. At no time in the history of public education in San Francisco have the schools and School Board action commanded so much attention and been so much in the news. Many issues have been brought into relief, if not solved -- neighborhood schools vs. racial balance, the responsiveness of the entire school system, minority hiring, the value of classroom practices such as tracking and others.

In one respect it was not the ideal time to conduct a study of a new and rather complicated proposal for an alternative system of school financing, school selection, and assignment. The enormity and nature of present problems seemed, at times, to preclude drawing considered attention to the voucher plan. Many of the objectives sought to be achieved by the voucher plan, however, relate to the present crisis and deserve thoughtful appraisal. We hope our analysis of the voucher plan contributes in some measure to the resolution of the problems, whether or not the plan is deemed to be a worthwhile vehicle for improving educational opportunity for children in San Francisco.

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[2]Milton Friedman in Capitalism and Freedom (New York, 1962) has proposed a flat grant system allowing private schools to charge tuition beyond the value of the voucher. In "A Proposal For a Poor Children's Bill of Rights" (Psychology Today, August, 1968), Theodore Sizer and Phillip Whitten have suggested that vouchers be given only to low income and poor families. John Coons and his associates, in Private Wealth and Public Education (Cambridge, 1970), have developed a model for "equalizing" the allocation of educational resources on the basis of parents' willingness to tax themselves at different levels rather than their ability to pay.

B. Approach to the Study

As we prepared to conduct this study we found that the study proposal prepared by the School District under Federal agency guidance focussed for the most part on secondary feasibility questions, questions that we call workability problems (i.e. Can it be done?). As the study proceeded, however, and we came into contact with the schools, parents, teachers and others, it became apparent that a number of primary feasibility issues had not previously received serious consideration either in Washington or in San Francisco. We therefore felt it important to develop several additional criteria which centered upon the voucher plan's appropriateness for San Francisco and to continually ask whether the voucher plan and the key voucher strategies promised to improve education in San Francisco.

Here our approach differed from that of the OEO, who appeared to take the position that the voucher plan is worth a test even if the benefits for a local school district were less than clear. For example, "It is important to emphasize the OEO is not an advocate of education vouchers. Rather, the Agency believes the concept has enough potential for the poor to merit testing."[3] In a recent speech in San Francisco, Director Phillip Sanchez remarked, "Maybe a voucher system will not work well. But we may never know, unless we make the experiments."

We disagree. The School District has many problems, the most urgent and important being the successful integration of the schools. Rising to the occasion will make -- has already made -- considerable demands on administrators, teachers, the parents and children. We, therefore, believe it would not be a wise policy for the School District to embark upon an experimental program of any kind unless the prospect of improving education thereby was resonably assured.

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[3]OEO Pamphlet 3400-1, January 1971, Pg. 21.

The principle criteria used to measure voucher feasibility relate to the plan's relevance and realism, in terms of the local school environment and prospects for improving the schools, acceptability of the plan by participating schools, public and nonpublic, parents and teachers, the timing and scale of the proposed demonstration, and it's workability-- administrative detail, personnel matters, legality, etc. In testing the feasibility of each of the proposed voucher strategies we concentrated upon relevance, realism, acceptability, timing and scale. As for workability, a major emphasis was given to the legal issues in view of the importance of these questions for San Francisco.

We used many methods in conducting the study in collecting information on key issues. We held several open meetings in the schools; conducted surveys of nonpublic schools, community organizations, parents and school staff; visited public and nonpublic schools; sought the opinions of laymen, school administrators, and spokesmen for the teachers' and administrators' associations. Apendices B, C, and D include the survey instruments used in the study and details the analysis procedures followed.

C. Organization of the Report

The report is organized as follows: "The Voucher Plan" explains the strategies, assumptions and prerequisites involved in the OEO voucher proposal. The "Summary Findings and Recommendations" present a brief statement of the central study findings which are the subject of this report and presents recommendations for consideration by the School Board. "Schooling in San Francisco" establishes the local context in which the voucher plan would operate.

The major issues presented by the voucher plan are treated in Sections V through VIII. "Public and Nonpublic Education" details the relevant characteristics of the public and nonpublic school sectors and analyzes some of the problems and opportunities associated with bringing these two sectors into a closer relationship. The Section "Access to Nonpublic Schools" analyzes the behavior and attitudes of the suppliers and consumers in the San Francisco

educational "market". In the Section on "Responsiveness" we assess the relevance and appropriateness of the voucher plan concerning the creation of change and responsiveness in the public schools. "Legal Issues" outlines the results of our research on Constitutional and legislative issues and examines the Weigel Order and its impact upon parent choice under a voucher plan.

In Section IX, "Alternative Approaches to Voucher Goals" we present several alternative program concepts which we consider to be more promising and realistic strategies for achievement of voucher goals and outline the features of a substitute voucher model more closely related to conditions in San Francisco.

The Appendices contain a detailed Memorandum on the legal issues, a summary of the history of the Voucher Study Committee, and our principal sample survey instruments.

II. THE VOUCHER PLAN

The following section presents a brief summary of the proposed voucher demonstration model or the voucher plan under consideration.

The objectives of the OEO voucher proposal are simple: to improve quality and diversity in education. But the voucher "plan" itself is quite complex, requiring a rather elaborate regulatory model for implementation, which is based upon several strategies, the effectiveness of which, in turn, rests upon a number of assumptions about the attitudes and behavior of parents and educators. Here we would like to present briefly the main features of the voucher proposal, since we will be analyzing them separately and in detail in following sections.

To begin with, it should be noted that previous federal efforts in elementary education have been managed chiefly by the Office of Education through such legislation as the Elementary and Secondary Education Act and the Education Professions Development Act. The Office of Education has channeled funds and authority almost exclusively to education professionals -- State Education Agencies, Local Education Agencies, universities -- for such purposes as compensatory education, teacher training, curriculum development, and innovations in management and staffing. The impact of OEO programs on the quality of public education, especially for the poor, has not been great.

Recently, OEO entered the field of education with two new program concepts. Performance contracting allows private contractors to manage schools. The contractors are paid in proportion to the gains they have effected in students' reading and mathematics achievement scores. Performance contracting experiments have been tried in many school districts and for the most part, results have been inconclusive.[1] The voucher system is a proposal to

[1] The Rand Corporation recently conducted an evaluation of performance contracting tests in twenty school districts and reported no overall gains in reading and mathematics achievement for educationally disadvantaged students.

give parents greater influence in the schools by providing them with the right and the means to choose their children's schools. Several strategies are involved in this approach:

1. Make nonpublic schools publicly accountable through regulation and participation in a common school selection and financing system with the public schools. In theory, private schools will thus become more "public" -- open enrollment, no tuition charges -- and public schools will become more "private" -- increased specialization, independence, control over the character of the student body.

2. Provide parents with the right and the means to choose their children's schools, public or nonpublic. In theory, parents will thus have access to nonpublic schools, resources for new schools, and freedom of choice among public schools.

3. Make public schools become more responsive to the needs of children and accountable to the opinions of parents by compelling them to compete for students against private schools and amongst themselves.

4. Supplement the value of disadvantaged children's vouchers, to encourage schools to recruit and admit them and to give schools the resources needed to provide extra services to these children.

But for compensatory education, these are essentially new strategies in education. Their effectiveness in a voucher demonstration rests upon a number of assumptions about the attitudes and behavior of parents and schools -- some of them untested. They are that:

- Private and parochial schools would be willing to participate in a voucher demonstration and would have the capacity to admit students.
- Parents would be willing to send their children to public or nonpublic schools outside their neighborhoods, will shop for schools.

-- Competition will motivate the public schools to become more responsive to parents and the schools will have or acquire the confidence, resources, skills and mechanisms needed to change.

-- Compensatory vouchers will encourage schools to recruit and admit low income students, and the schools will use the resources to good effect.

-- Many established and new community groups would want to start new schools if given the resources to do so.

-- Limited seed money and technical assistance will promote the development of new school places at a rate calculated to meet parent demand.

-- Parents can be provided with information enabling them to compare schools and to evaluate educational programs generally. Such information would be welcomed, meaningful, and utilized by parents in the schools.

These are the major strategies and assumptions in the voucher proposal. Briefly, the model for implementing a voucher system, developed for OEO by the Center, has the following features.

Voucher certificates and information about participating schools are distributed to all parents of K-6 children living in a designated "target area". The vouchers of all the children are worth the annual cost of an education in the public schools, and the vouchers of educationally deprived children -- OEO suggests that they be identified by income -- are supplemented by some amount.

Parents may apply their children to any participating public, private or parochial school. The rules of admission are that an underapplied school must accept all applicatns. An overapplied school must select at least 50% of its students by a lottery respecting the racial proportions of applicants. For example, if 100 of the 200 applicants for 60 places in a school are Black, then the school must admit at least 15 Black students by lottery. OEO also suggests that some proportion of the students admitted should be selected by the school, in any manner -- ability, interests, neighborhood -- which respects the racial proportions of applicants.

OEO wants the demonstration to be managed by an Educational Voucher Agency (EVA). The EVA would be responsible for declaring schools eligible to receive vouchers according to some set of minimal standards, distributing vouchers and information about schools to parents, managing the application and admissions process, providing financial and technical assistance to groups interested in starting new schools, granting transfers, settling grievances, monitoring, and generally overseeing the conduct of the demonstration. The EVA, whether appointed by the School Board or elected from the target area, should be representative of and responsible to the residents of the target area.

OEO feels that a demonstration on a large scale is necessary for a fair test of their voucher model. OEO wants a target area of 10,000 to 15,000 children. (In San Francisco, this would include about 20% of all the elementary school age children in the City.) On the order of 30 to 40 public, private and parochial schools might be involved. As regards cost, OEO asks a school district to contribute only normal per pupil expenses for public school children in the target area. OEO offers to pay all additional demonstration costs -- vouchers for children not enrolled in the public schools, compensatory vouchers, transportation, administration, limited financial and technical assistance to new school groups -- and estimates these costs to be about $6 million a year, as against the School District's share of $4.8 million. (A comparable demonstration in San Francisco would be more expensive due to the high per pupil expenditure in the public schools and the large proportion of students enrolled in non-public schools.) OEO wants the demonstration to begin as soon as possible and continue at least five years.

To be suitable for a voucher demonstration, a school district ideally should meet several preconditions:

-- A neighborhood school system
-- An ethnically and economically diverse student population
-- A large nonpublic school sector

-- Community organizations and parent groups who might sponsor or support the development of new schools

-- Dissatisfaction among parents, especially poor parents, with their children's schools, and a commitment on the part of the Board of Education and the School District to quality integrated education.

-- Sufficient excess capacity in the schools to accommodate shifts in enrollment.

On the face of it, it would appear that if any city is a likely candidate for OEO's ambitious demonstration proposal, it is San Francisco. The San Francisco Unified School District is multi-ethnic and becoming even more so. The sectarian school sector is uncommonly large, enrolling nearly one-third as many students as the public schools. The private school sector is also sizeable, about 6,000 places, ranging from established and affluent schools to the many alternative schools for which the Bay Area is noted.

There are a number of minority community organizations in San Francisco who are active in school affairs. Moreover, the Board and the School District have committed themselves to achieving quality integrated education. The number of school age children in the City, and in the public schools, is declining, suggesting that the public schools would have sufficient excess capacity to accommodate the enrollment shifts anticipated under a voucher system.

There are other conditions in San Francisco which would seem favorable for a voucher demonstration. The city is small and densely populated, thus presenting no great student transportation problems at least in physical terms. The average pupil/teacher ratio in the public schools is quite low and the District is spending more money per pupil than 93% of comparable districts in the state, implying that continuing this level of support during a voucher demonstration would provide adequate resources for education.

The only obvious difficulty might be the effect of the Horseshoe Plan insofar as it effects the neighborhood school system and the exercise of free choice in school selection.

It is the purpose of this report to examine the soundness of the proposed strategies within the context of the San Francisco school environment and to examine the assumptions upon which the feasibility of mounting a voucher demonstration are based.

III. SUMMARY FINDINGS AND RECOMMENDATIONS

We have concluded that it is not feasible to conduct a demonstration of the voucher plan in San Francisco at the present time.

The Major Findings which support this conclusion, and our Recommendations to the School Board, appear below. The findings and recommendations are analyzed in detail in the body of the report.

A. Findings

Major Finding: The exercise of parent choice in school selection, the central feature of the voucher plan, would be severely limited by the racial balance requirement.

- the desegregation order would apply to all participating voucher schools, public and nonpublic;
- nearly two-thirds of all parents would choose to go to public or nonpublic schools in their own neighborhood given the opportunity;
- the scope of parent choice could be extended under the Horseshoe Plan on a limited basis through the use of lotteries and other admissions procedures.

Major Finding: Nonpublic school places would be largely inaccessible to voucher pupils. The current and forecasted supply of nonpublic school places is inadequate to support a voucher demonstration.

- private schools now have waiting lists and limited capacity to expand;
- many private schools find the voucher plan unacceptable and would be unwilling to participate;
- current school stock would not be increased significantly by the development of new nonpublic schools, even if adequate capital were available;
- in all probability parochial schools would not be permitted to participate in a voucher demonstration.

Major Finding: The proposition that schools, particularly public schools, would become more responsive to children's needs and accountable to parents by placing them in a competitive position with one another is unfounded.

- the incentive structure in a public service enterprise is not geared to respond to competition;
- in any event, competition from the nonpublic sector under the voucher plan would be inconsequential;
- parents who prefer the public school system over nonpublic schools need functional mechanisms to ensure accountability and responsiveness after their choice has been exercised.

Major Finding: Parents and teachers want to play a larger role in local school governance, but need resources to act effectively in school affairs.

- Many parents and teachers feel that they ought to be more closely involved in solving educational problems at the school level;
- A significant number of teachers would be willing to participate in a voucher plan and are interested in organizing new schools;
- Many parents and teachers believe that parents are currently ill-informed and lack the ability to make sound decisions about educational programs, much less select their own schools.

Major Finding: Several considerations indicate that the development of cooperative ventures and closer institutional ties between the public and nonpublic school sectors would be mutually beneficial. The voucher is not the most appropriate mechanism for achievement of this objective.

- the learning needs of children and instructional opportunities for teachers would be enhanced by the maintenance of an inter-institutional school system;
- maintenance of a financially secure nonpublic school sector is in the economic interest of the public schools which must rely upon taxpayer support for survival;
- educational renewal and the challenge to innovate and diversify in public schools is, in part, dependent upon educational developments in the nonpublic sector.

Major Finding: The School District cannot lawfully undertake a voucher demonstration involving nonpublic schools until the State Legislature enacts legislation specifically authorizing the District to do so.

- legislation is needed to permit public money to be spent in nonpublic schools;
- the bill now pending is not consistent with the needs of the San Francisco Unified School District.

Major Finding: Inclusion of the parochial schools in any voucher plan akin to the proposed model is subject to considerable Constitutional doubt.

- Recent U.S. Supreme Court cases have barred the use of public funds under "purchase of service" agreements when the services are provided by parochial schools.

B. Recommendations

Recommendation No. 1: We recommend that the School Board not make application to the Office of Economic Opportunity for grant funds for the purpose of planning for or conducting a voucher demonstration program at this time. Substantial barriers exist which would not permit the demonstration to be operated successfully.

Recommendation No. 2: We recommend that the School Board take appropriate action to examine alternate elementary school admissions procedures to extend parent school selection opportunities under the Horseshoe Plan.

Recommendation No. 3: We recommend that the School Board take immediate action to institute a parent training and orientation program on a pilot basis to better equip parents to evaluate the educational process in their children's schools.

Recommendation No. 4: We recommend that the School Board adopt a policy declaring that it maintains a fundamental interest in the schooling and education of all children in San Francisco and that the development of

voluntary cooperative arrangements between public and nonpublic schools shall be undertaken.

- Recommendation No. 5: We recommend that the School Board accord a high priority to the development of public school educational alternatives and options in the elementary schools, both to better respond to children's learning needs and to foster professional development at the school site.

Some program suggestions for implementing these policy recommendations are presented in Section IX at the conclusion of this report.

IV. SCHOOLING IN SAN FRANCISCO

A. A Profile

In order to test the relevance of the voucher proposal in terms of the local school environment it was necessary to develop a portrait of the current size and character of the elementary student population, the principal characteristics of the schools which serve these children, and to make some observations about the trends which bear upon the study assumption.

The data used in constructing this profile and estimating trends was taken from 1970 census information, enrollment studies conducted by and for the School District, surveys of the private and parochial school systems, and personal interviews with school attendance and research staff and representatives of the parochial and private school sectors. In conducting our research we found that key managers in the public, parochial and private school sectors were poorly informed about what was going on in other than their own system and that parents, too, were largely ignorant of the nonpublic school universe -- its identity, cost, programs, and so forth. Later in the report we discuss some of the problems associated with the maintenance of a voucher demonstration in a context which supports three distinctly different, unrelated school "systems", each having unique problems and characteristics.

B. The Kids

It is well known that the total population of San Francisco has been declining in recent years. This decline in the total population has been exceeded by the downward trend in the school aged and preschool aged population. In 1960, the number of children in San Francisco under the age of five was 58,800. In 1970 this number was 43,000, a drop of 27%. The age group 5-14 years dropped by 8.8% during the same period

Comparing current year public school elementary enrollment with the results of a recent tabulation of fall enrollment data for the period 1956-1971 (Table 1.), we find that public school enrollment in the elementary schools is

TABLE 1

PERCENT CHANGE IN PUBLIC SCHOOL FALL ACTIVE ENROLLMENT

FALL 1956 THROUGH FALL 1971

	Elementary	
Fall Of:	Enrollment	% Change
1956	50,162	+ 3.1
1957	52,224	+ 4.2
1958	53,117	+ 1.7
1959	53,306	+ 0.4
1960	53,257	- 0.1
5-Year Average	52,417	
1961	52,753	- 0.1
1962	51,964	- 1.5
1963	51,658	- 0.6
1964	50,453	- 2.3
1965	49,519	- 1.9
5-Year Average	51,269	
1966	50,196	+ 1.4
1967	51,449	+ 2.5
1968	50,881	- 1.1
1969	48,663	- 4.4
1970	47,401	- 2.6
5-Year Average	49,718	
1971 (Current Estimate)	41,000	-13.5

down approximately 22% from the peak year of 1959, from 53,000 to 41,000 pupils. Although the principal and sustaining reasons for this decrease are related to a general decline in the birth rate, a dwindling family housing stock, and other population factors, a major drop in public school enrollment this year was related to the introduction of the Horseshoe Plan and parental resistance to the busing program.

During this same period parochial school enrollment in the elementary schools fell somewhat and schools in the private, non-sectarian sector, while experiencing a period of accelerated growth, added only a moderate number of children when compared with the public and parochial school totals. The outlook for a zero growth rate in total school enrollment appears certain for the foreseeable future. Other things being equal, this suggests that a real increase in cost per pupil expenditures is possible without an increase in the eudcational burden on local taxes. In addition, the current market for instructional personnel, representing the major cost of education, is likely to become more favorable for schools in both the public and nonpublic sector.

Currently, the total number of elementary school aged children (grades K-6) in San Francisco is estimated to be approximately 60,000. Approximately 41,000 of these are currently enrolled in the public school system. Some 13,000 are enrolled in all parochial schools, with the large majority of these (12,000) attending Catholic schools. Between 4,000 and 6,000 students attend private, non-sectarian schools in San Francisco. Achievement of greater precision for the private school population estimate was not possible because some private schools have not filed enrollment certificates with the School District, some are just starting up and some declined to divulge information about their schools.[1] Approximately 2000 students are enrolled in the so-called "freedom schools" which were organized last Fall when the Horseshoe Plan went

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[1]Private School enrollment of 4100 elementary aged students could be verified. The remaining 1900 unaccounted for students are assumed to be attending unregistered schools or those private schools that chose not to reveal information to the researchers.

into effect. For the purposes of our study, preschools, day care centers,and special schools for the handicapped and the mentally retarded were excluded. Only educational institutions that could be said to serve the needs of the general elementary school aged population were considered.

The percentages of students distributed in the three principal school sectors, grades K-6, are as follows:

Public Schools	-	68.3%
Parochial Schools	-	21.7
Private, Non-sectarian	-	10.0
		100.0%

It should be noted that in 1965-66, the latest year for which national statistics are available, the total enrollment in nonpublic elementary schools, private and parochial, across the country was just 14%, as compared with a total of nearly 32% in San Francisco. This places San Francisco among the dozen or so metropolitan population centers in which about one out of every three students are enrolled in nonpublic schools.[2]

San Francisco is a multi-ethnic, multi-racial city and the trend towards an even more ethnically diverse population is reflected in the current composition of the forecasts for its elementary school aged population.

At present the ethnic and racial composition of the public elementary schools is approximately 29% Black, 14.1% Spanish Surname, 15.2% Asian, 7.5% Other Non-White, and 34.2% Other White. Total enrollment of racial and ethnic minorities in the public system will soon reach 70%.

In the parochial school system, complete racial figures were available for the Catholic schools only. There the racial breakdown for the 1971-72 school year is 10% Black, 21% Spanish Surname, 8% Asian, 4% Other Non-White, and 57% Other White.

Responses to our private school survey did not permit us to tabulate with confidence any total enrollment figures by race. The information received,

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[2] Some of the others are Chicago, Pittsburgh, St. Louis, Cleveland, New York, Philadelphia, Cincinnati, and Milwaukee.

however, supports the conventional wisdom and national survey findings[3] that private schools are predominately, though not exclusively, White. Principal exceptions to this rule are represented by the Chinese-run "freedom schools" in Chinatown, an experimental multi-racial, multi-cultural school with an enrollment of over 300 students, and several small community schools operated by and for ethnic minority groups.

Under the Horseshoe Plan, the School District has tried to achieve racial balance within each of its 97 public schools. The goal set for achieving racial balance within each school in the City is to achieve a school enrollment pattern which is within 15%, plus or minus, of the racial characteristics of the total public school population in San Francisco. At the mid-way point through the 1971-72 school year, approximately 40 public schools still fall outside the standard set to achieve total racial balance in the public system. The Desegregation Office of the School District has indicated that pupil reassignments to correct the remaining imbalance will not be made until the next school year.

Analysis of 1970-71 enrollment data from Catholic parochial schools in San Francisco reveals that they, too, generally fall outside the Horseshoe standard when this test is applied to individual schools and the student population within the Catholic system. Of a total of forty-five Catholic schools surveyed, thirteen schools might be considered to be racially integrated, if not precisely balanced.[4] Fifteen schools are predominately White (over 80%), two Black (78% & 87%), two Spanish Surname (77% & 80%) and one Chinese (97%).

Parish enrollment figures suggest that in most cases the racial character of Catholic parochial schools follows residential housing patterns as did the public schools before adoption of Horseshoe. Approximately 72% of all Catholic school pupils in grades K-6 live in the Parish neighborhoods where

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[3]A 1968 survey of private schools across the country showed the total Non-White enrollment in elementary and secondary schools to be just under 7%.

[4]All principal ethnic minorities were well represented in each school, and their number was within 25% of their total representation within the Catholic elementary school population, grades K-6. These schools are: St. Agnes, St. Emydius, Immaculate Conception, St. James, John F. Kennedy Memorial, St. Monica, Notre Dame Elementary, Lady of the Visitacion, St. Paul's Intermediate, St. Paul of the Shipwreck, Star of the Sea, St. Teresa's and St. Thomas Appostle.

they attend school. Current Catholic school admissions and financing policies, should they continue to be followed, favor retention of the Parish or neighborhood dominated school. There are nearly 2700 children now on the waiting lists of San Francisco's Catholic Parochial schools. This is not significantly different from recent experience for this sector. Nearly all of the responding private schools and many of those who did not respond to our questionnaire reported or are known to have waiting lists. Based upon the responses received from the private sector schools, we estimate that there is a minimum of 2400 elementary school age children on waiting lists whose parents have indicated a desire that they attend private schools. A total of over 5000 children, then, are currently waiting to enter the nonpublic school sector in San Francisco. Our parent survey confirms that this number may be conservative. Given their choice, 39% of the public school parents would prefer to send their children to nonpublic schools, private or parochial. (See Table 6 below).

In addition to the disaffection over the first year of Horseshoe, at least one reason for the indicated preference for nonpublic schools may be the discouraging results of the California statewide testing program for 1969-70 which showed the San Francisco public elementary school children lagging far behind other children in the state in achievement test scores in reading and mathematics. In the first, second, and third grade reading scores, for example, San Francisco students performed worse than 54%, 67% and 79% of the other state school districts for each respective grade tested. Table 2 indicates substantial parent and teacher dissatisfaction with the manner in which the public schools are meeting children's needs. Even field administrators, typically pro-public schools by wide margins, seem less confident that the schools are responding adequately to children's needs.

As the School District points out, in a recent publication[5] "median scores of large, urban school districts have traditionally been lower than the surrounding, more affluent suburbs..." The School District cited the factors

[5]San Francisco Unified School District Newsletter, November 22, 1971

TABLE 2

ASSESSMENT OF PUBLIC SCHOOL ADEQUACY

IN MEETING CHILDRENS NEEDS

Respondents	Are Meeting Needs (percentage)	Are Not Meeting Needs (percentage)
Parents		
Spanish Surname	25.0	56.6
Other White	14.9	75.5*
Black	22.0	60.8
Asian	29.5	56.0
Other Non-White	44.4	28.5
Total Parents	23.4	62.4**
Teachers	36.1	53.7
Administrators	57.8	38.5

* 41% of all white parents responding indicated that they disagreed strongly that public schools were adequately meeting childrens needs.

** Parents whose children are currently being bused feel somewhat more strongly about this question (70.2%) but not dramatically so.

which contribute to this phenomenon, which include,

> "a high index of poverty, a large minority enrollment, a high mobility rate, generally lower IQ average, and multiple language problems."

The unresolved problem facing public school administrators and parents is "the fact that the District has high salaries, a high tax rate, and high per pupil expenditures and has not been able to offset" these factors.

We turn now to a brief overview of school size, distribution, student-teacher ratios, and the comparative cost of an elementary school education in San Francisco.

C. The Schools

The average primary (grades K-3) and intermediate (4-6) public school facility in San Francisco enrolls approximately 450 students. Catholic elementary schools, which typically group grades 1-8 in a single school plant, have an average school population of about 375 students. The private school sector is considerably more diverse, with several large and well established institutions having school populations in the 150-300 pupil range, and many smaller schools, some serving as few as 10 students. About a third of the private schools identified had enrollments in the range of 25-50. As will appear more fully below, the private school sector in general is experiencing a period of ferment and growth which, in the nature of things, has made statistical verification and definition of this universe somewhat difficult.

The number of schools maintained in each sector reveals that the private schools are typically much smaller than those in either the public or parochial school systems. While accounting for a maximum of only 6,000 students, at least 65 separate private school organizations were identified. This compares with 97 public and approximately 60 parochial schools which each serve a much large share of the total student population.

Inspection of public school facilities required by the Field Act for "quakeproof" schools revealed that nearly half of the public elementary schools will have to undergo major renovation or be replaced. The process

of bringing schools up to legislative standards will require temporary pupil reassignment and perhaps double sessions for a period extending over the next several years. No new parochial elementary schools have been built in recent years due to lack of sufficient resources to mount a capital improvement or expansion program. The private schools report that their capacity for expansion is limited.

While the public and parochial schools are distributed fairly evenly throughout the city's residential neighborhoods, the private schools currently predominate in the middle and upper income neighborhoods (i.e., Pacific Heights, Richmond, Sunset, and Lakeside Districts.). Some private schools are located in low and mixed income neighborhoods, but not all of these draw their student body from low income groups. As the number of private schools has increased, however, and new school organizers locate available space where they can, privately maintained schools are beginning to appear throughout the city.

A commonly used indicator of school quality, or, at least, what many view as an important descriptor of schools, is the student-teacher ratio. In the public school sector the current ratio is approximately 25 to 1, although the ratio is considerably lower (19 to 1) if pull-out teachers, and instructional specialists are counted.[6]

This ratio is standard throughout the public school system. The parochial sector, dominated by the Catholic schools, has a considerably higher ratio of 37-1. Other denominational schools, however, have significantly lower ratios than the Catholic schools and more closely follow the public and private school averages. In the private sector, again, wide variation is the rule. A large share, over half of those reporting or about which such information is available, have student-teacher ratios of 10 to 1 or even lower. The others split into two fairly even groups of 15 to 1 and 20 to 1.

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[6] From SFUSD personnel office, Analysis of Certified Staff, 2/11/71, showing 1662 District funded and Federal/State funded elementary classroom teachers and 2102 total instructional personnel.

The amount of money spent to educate a child in each of the public, parochial, and private school sectors is a subject about which there is constant debate and not a little disagreement. Arriving at an agreed figure representing the annual per pupil cost is dependant upon the particular formula applied, differential cost accounting methods, poor estimation and reporting of donated services and contributions, and a host of other factors. Each school sector relies, for instance, on parent paraprofessional and professional volunteers to varying degrees for tutorial and supportive services for which they incur no direct expense. Instructional salaries, which represent the highest element of school cost, vary from sector to sector and within the parochial and private sectors.

In San Francisco elementary schools, the average cost per pupil expenditure of 1970-71 was estimated to be $1082.[7] Reflecting the general rise in school costs for all sectors, this figure is substantially more than double the amount spent per student just a decade earlier. For the 1969-70 school year, the last year for which figures are available, San Francisco ranked in the 93rd percentile in expenditures per pupil when compared with all other school districts in California: Most other school districts had lower costs.

In the Catholic schools, a decentralized system of revenue collection, expenditure and accounting, partial reliance upon an independently financed and supported teaching staff of different religious communities, and other factors makes generalization and averaging somewhat hazardous. The range of per pupil costs in this system, however, may be set at between $320 and $350.[8]

Other sectarian schools had reported costs which tended to follow the range found to exist in the private sector.

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[7] This calculation is based upon District figures for Current Expenses for the 1970-71 school year.

[8] These computations are based upon estimates provided by the Archdiocese of San Francisco, Department of Education for 1970-71. Costs computed include administrative and instructional salaries (both lay and clergy), contributed services of teaching clergy, current operating expenses, and fixed charges.

In privately maintained schools, the cost per pupil range for responding schools was $250 to $2200 per year. The larger, established institutions tended to fall within the top expenditure range reflecting greater operating costs and regular built-in enrichment features (recreation, field trips, etc.). The smaller and newly established experimental and community schools were more frequently represented in the lower range of the spectrum. An equal number of schools fell into each of two well represented groups with per pupil costs of between $450-900 and $1000-1400.

These cost per pupil expenditures compare with a 1969-70 California cost per pupil expenditure median of approximately $672.[9]

In summary, the local school environment shows that the character of the elementary student population is multi-racial and multi-ethnic and is becoming more diverse all the time. The total number of school aged children has been declining in recent years but for a number of independent reasons, these children find it difficult to find places where they can and want to go to school. Notwithstanding severe pressures on both suitable space and available places in nonpublic schools, they are served by a relatively diverse and expensive school establishment. Policy-makers and parents are in the midst of coming to grips with a court ordered school integration plan which appears to cut against a pattern and preference for neighborhood-based schools.

Although an apparent abundance of educational resources are available in San Francisco, student performance and achievement, in the public sector at least, continues to lag behind most parents' expectations and that of comparable school districts in California.

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[9]Legislative Analyst, Public School Finance, Part V.

V. PUBLIC AND NONPUBLIC EDUCATION

Examination of the feasibility of the voucher plan, calling for a public venture with the nonpublic school sector, poses several important issues about the nature and structure of the nonpublic school system-- its purposes, prospects and problems -- and implicitly calls for a re-definition of the meaning of "public" and "private" in the context of education. It also raises the question of parent attitudes about and their capacity to evaluate this sector of activity.

The voucher goal of enlarging accessibility to and participation of privately sponsored education represents one approach among many in a wider re-examination of the resources of education that is currently being conducted, not only by critics of the public system, but by legislators, education researchers, and several key policy makers within the public school system itself.[1]

At least one reason for this re-examination is the belief that the development of some inter-institutional relationships can strengthen the quality and responsiveness of education in all school sectors; that the maintenance of isolated school establishments is not only inefficient and costly but indefensible in terms of the educational results being achieved in the classroom. The question raised by the voucher concept is not one of robbing the public schools to finance the private ones, as contended by some voucher critics, but of devising appropriate strategies to harness the universe of education resources currently available to better serve children.

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[1] In California, the Superintendent of Public Instruction, Dr. Wilson Riles, is conducting a re-examination of nonpublic school regulatory system and has backed state legislation to finance textbooks for nonpublic schools. In many other states, experimental cooperative ventures linking the public and nonpublic sectors have been initiated by the public school officials. In Massachusetts, for example, the State Development Commission is authorized to fund select privately run experimental schools.

In this study our principal objective is to examine the appropriateness of the proposed voucher plan as one method of achieving the principal goals of increasing accessibility to nonpublic school resources (dealt with in Section VI below) and of drawing components of this larger system together in a common public interest enterprise.

Since the maintenance of a voucher demonstration is dependent, in large part, upon the behaviors, capacity, and requirements of the nonpublic sector, it is important that some appraisal of this sector be made. Before we examine some of the characteristics of the nonpublic school system which seem important in view of the proposed demonstration design, however, it might be useful to say something about their mission and function in the historical context of the development of schools.

A. Nonpublic Schools in Perspective

The principal rationale of the nonpublic school is to offer a "better" education than that available in the public schools. Most parents desire for their children the best education within their reach. But "better" and "best" in this connection may mean different things to different people. The best may mean academically or intellectually best, but not necessarily. What makes a given education "better" or "best" depends not only upon the available options but upon the value-perspective of the parent who chooses.

Historically, one of the most important reasons for choosing private education was a concern over the religious and moral education of the young. Even today, about eighty-five percent of all nonpublic schools are church affiliated, although the logic behind the development of nonpublic school options seems to be widening to include a number of other non-religious purposes. Many non-denominational independent schools owe their origin to founders who evinced a strong desire to transmit non-sectarian but nonetheless distinctly religious or moral ideals, coupled with strong emphasis on superior academic attainments. Recently, the founding of Black Muslim schools in Detroit, Chicago, New York, Los Angeles and elsewhere reflects the desire of Black parents to provide for their children a secular education under a religious discipline.

The religious community still serves many Americans as the primary context of self-identification and social belonging, and the choice of a specific denominational schooling entails well-defined ethnic, cultural, and to some extent, socioeconomic and vocational values.

Nonpublic schools exist to serve other ends as well. The numerically small but educationally important group of older, private, independent schools is sought after chiefly for their academic superiority, for the social status they confer, as well as to serve an interest to promote family tradition. Besides functioning as moral, academic and social alternatives to the public schools, nonpublic schools also fill special needs that public schools in many localities cannot meet (schools for the emotionally disturbed, disabled, etc.). Nonpublic schools are frequently established upon some unique pedagogical concept or upon other free, experimental or community school concepts, or are designed to meet the special needs of ethnic minorities to serve their cultural or other needs. Most nonpublic schools are relatively small and familial and reflect the preference of those parents who believe that the quality of education is best measured by the way students are dealt with as individuals and that more personal attention is ensured in a smaller institution.

The public schools, whose purpose is to serve the whole population, aim to provide for every child, regardless of his religious background or group loyalties. While, increasingly, public schools have begun to respond to the demands of some parent groups to teach ethnic studies and to give greater emphasis to culturally relevant education, some groups within the public school system and the larger general community incorrectly, we think, view this increasing pressure with alarm and claim that recognition of diversity is divisive, un-American, or worse. The outcry over divisiveness is particularly out of place in the context of the present, marked as it is by a renewed search for ethnic identity and cultural education, brought about in part by the disappointment with the public schools' failure to meet the differing needs of young people of diverse backgrounds.

This same group appears to believe that there are no limits upon the state's power to define and compel adherence to its own educational philosophy and that proposals, like the voucher, which tend to foster pluralism,

or enhance value-oriented education violate the "melting pot" notion. It is noteworthy that nonpublic schools are still prominent, not only on the American education scene a century and a half after bith of the modern public school system, but in San Francisco where one child in three currently attends a non-public school. Nationally, the major shift from private to public elementary schooling is a phenomenon of the past eighty years. But in the period beginning soon after the Second World War and extending into the sixties, the rate of growth of nonpublic schools overall exceeded that of the public schools. This experience has been reflected in San Francisco with a marked growth in non-sectarian private schools in the past five years, many new alternative, experimental and community schools.

Others argue that it is, or should be, up to the parent to decide whether a nonpublic school education places the child in a stronger position to make his way in the societal mainstream or whether the public school way, with its approach to social values through commonality, secularism and heterogeneity, is the better path. Who can say that failure to conform to mainstream's values is harmful to children? There is a growing sympathy for the view that conformity is harmful and that this may be one cause of the rejection of "the system" by some young people today and is a sufficient rationale for support for alternatives in education.

There can be no simple or final resolution of the apparent dilemma which involves the tangled web of religious, educational, ethnic, political, and Constitutional considerations which the voucher proposal raises and which the School Board must ultimately broker. With a school and adult population characterized by diversity and distinct national and cultural tradtions, it is unlikely that the Board will give much credence to positions which place a premium upon rigid educational conformity, statism, and the dilution of responsive educational alternatives. Indeed, the Board and the District has evidenced support for responsive <u>within</u> system alternatives and options already.[2]

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[2]Several programs approved by the Board include an "alternative" secondary school, bi-lingual programs, open classroom experiments and ethnic studies curricula.

Table 3 on the following page indicates that about half of the public school parents perceive that the system provides some diversity among schools.

A case can be made that some of the educational innovations and experimental programs now being conducted in the public school system, both nationally and locally, have been stimulated by an active and productive non-public school sector. One means of fostering the continued development of responsive alternatives within the public schools and more adequately serve the diverse needs of San Francisco children might be to close ranks with the non-public schools and develop mechanisms of exchange that now do not exist. The District's current experience with educational innovation in the classroom represents a willingness to move in this direction, but much more needs to be done to enrich and extend these alternatives and options.

We turn now to a discussion of some of the problems associated with developing inter-institutional relationships under the voucher mechanism.

B. Regulation of the Nonpublic Sector

The proposal to issue education vouchers to parents who could redeem them at nonpublic schools creates a dilemma which grows out of the very uniqueness of the private school -- how to remain both publicly accountable and independent. Some voucher proponents have argued for a voucher plan which relies upon a free, uncontrolled market mechanism and rejects the notion that bureaucratic or regulatory machinery are necessary or desireable adjuncts to its operation.[3] The OEO voucher model adopts the "regulated voucher" approach proposed by Christopher Jencks, former Director of the Center for the Study of Public Policy in Cambridge, Massachusetts. Under the regulated voucher, nonpublic sector schools are required to assume a number of administrative and other controls, both to protect the general public and to guarantee against racial segregation. The OEO plan obviously is less

[3]Milton Friedman in Capitalism and Freedom (Chicago, 1962) argues forcefully that "competitive enterprise is likely to be far more efficient in meeting consumer demand than either nationalized enterprises or enterprises run to serve other purposes."

TABLE 3

PERCEPTION OF DIVERSITY IN PUBLIC SCHOOL SECTOR

Respondents	Perceive difference in one school from another (percentages)	Perceive no difference in one school from another (percentages)
Parents		
Spanish Surname	41.9	38.2
Other White	58.5	30.7
Black	48.1	41.6
Asian	43.9	47.4
Other Non-White	35.7	52.2
Total Parents	49.3	39.1
Teachers	79.0*	15.8
Administrators	92.5*	7.4

* 33% of all teachers and 50% of all administrators responding indicated that they strongly disagreed to the statement: "Public schools are all very much alike."

desireable from the point of view of the private schools which have, for the most part, been unfettered by government interference and poses an important policy question of just how far should the state or, if permitted, a local school district go in regulating nonpublic schools, voucher or no voucher.

Assuming for the moment that the OEO model adequately protects the public against fraud, "hucksterism" and racial discrimination (all frequently cited challenges to the voucher), what is the current status of regulation as far as the nonpublic schools are concerned and how have they responded to the OEO voucher proposal?

1. History and Current Trends

The potential for "interference" in the affairs of private educational institutions is considerable. The states, in whom the authority to regulate is usually vested, have rarely imposed undue, unreasonable, or, as in California's case, any meaningful controls at all.[4]

The case for the legitimacy of governmental regulation of the nonpublic sector rests on the basic proposition that the state must, in order to promote the public welfare, require that schools be so conducted as to give each child an opportunity to grow and prosper and to contribute as a citizen to the common good. The nonpublic school sector first came under scrutiny with the passage of compulsory school attendance laws for all children. If the state could compel attendance, it was argued, it also had a duty to see that the schools set minimum educational standards as well. But today, only a few states require official approval or recognition of nonpublic schools or subject them to state inspection and evaluation as educational institutions. Laws affecting nonpublic schools reflect the "equivalency" principle, that is, that nonpublic school instruction shall be equivalent to that provided in the public schools and that the subjects taught shall be comparable. The intent of current legislation is merely to require nonpublic schools to meet

[4]Things may be changing in California, however, with Dr. Riles' recent statement that "Right now, the public health officials and fire marshals have more to say about private schools than the State Superintendent of Public Instruction and the State Board of Education combined."

the minimal standards deemed necessary for public school children, so that the students enrolled satisfy quantitatively the compulsory attendance laws of the state.

The question of accreditation of nonpublic institutions and of teacher certification in private schools has generally been left to voluntary nonpublic school associations of various kinds[5] and to the interested professional groups at the state and national level. In California, as in many other states, there is no public body with authority to "approve" or "recognize" nonpublic educational institutions and the state does not require certification of nonpublic school teachers.

While the voluntary associations have made a significant contribution in providing parents with some frame of reference by which member schools might be evaluated and selected, they tend to support the members' sometimes rigid view and belief in their kind of academic orthodoxy. Many private schools, of course, belong to no association of any kind and have little use for the professional organizations which they feel engage in every kind of activity except that directed towards improving education.

Under these conditions, nonpublic schools, for better or for worse, have been free to pursue their distinctive and varied objectives, to follow their own educational philosophy, and if so inclined, to experiment, innovate, or differentiate in other than the conventionally sanctioned and state-mandated manner. They have been able to enjoy the mutual voluntariness of choice that characterizes the relationship between the family and the school and that permits the schools to select and admit a student body that matches the particular program they offer and to hire whomever they feel is suited to teach it. They have also been free to become idiosyncratic, socially isolated, and, in some cases, bankrupt.

Several factors have contributed to a circumstance where nonpublic education finds itself being assessed as a functional part of public education.

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[5]An example of one such association is the "California Association of Independent Schools" to which most of the older and established private schools belong. The CAIS opposes legislation which would tend to "endanger the independence of nonpublic schools" though supports most legislation which will enrich the quality of public education.

Not the least of these reasons is the question of money. As the states begin to move toward the position of increasing financial aid to nonpublic sector schools, nonpublic schoolmen have begun to grow somewhat apprehensive about the prospect of regulation that is certain to follow if the desperately needed aid is indeed granted. Below we discuss the uncertainty and prevailing attitudes in the nonpublic sector in San Francisco concerning the regulated voucher proposal.

The point to be observed, however, is that consideration of the proper balance between the conflicting demands of control and freedom as regards the nonpublic school sector is only now getting underway.[6] The somewhat fragile political, educational, and public policy issues which must be reconciled before a rational framework for regulation can be worked out is going to take time and considerably more understanding than has characterized this discussion to date.[7] Under the circumstances, does the proposed voucher demonstration appear to be an appropriate mechanism in terms of the current trends in this area? What role can the School Board play in this area, if any?

Experimentation with the regulated voucher model would undoubtedly contribute to a wider understanding of the autonomy and control issues which are not yet clearly in focus. But whether mounting a large scale, operational demonstration in the District can promote an early resolution or reconciliation of these issues seems questionable. In terms of the school district capacity to manage these issues, the proposal seems misplaced and untimely. Before a demonstration involving the nonpublic schools could be started, the School District would have to acquire an awareness of the nature and structure of the nonpublic school system which it does not now even remotely possess. Further, under the Education Code, in education governance theory, and in political reality, the regulatory problem is one involving a "state interest" rather than a local one.

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[6]Kraushaar's soon to be published, American Nonpublic Schools makes this point and proposes a number of initial steps which might be taken to develop public and nonpublic school rapport and cooperation.

[7]The question has too often been characterized narrowly as one of protective regulation rather than of the wider one of creating a theory of "public interest education" which emphasizes cooperative and supportive features as well.

We believe that the School Board could and should enter the uncharted field of "public interest education" and begin to explore selective strategies for developing relationships with the nonpublic school sector. Maintenance of a full-fledged demonstration calling into being a comprehensive administrative and regulatory system, however, seems premature and overly ambitious given the history and current status of nonpublic school regulation both nationally and locally.

C. Acceptability of the Voucher Plan

1. Nonpublic Sector

We have already indicated that not all nonpublic schoolmen are overly enthusiastic about public sector regulation of private schools. With respect to vouchers, private schools that accept the terms and conditions explicitly required in the regulated voucher model become for all practical purposes "public" in function, even if they continue to be privately owned, managed and staffed. Obvious advantages of participation are financial stability, an almost certain supply of students, and, to a lesser extent, the adoption of improved internal operating procedures stimulated by the need to conform to EVA requirements.

But certain central voucher requirements appear to pose strong deterrents to nonpublic school acceptance of vouchers. A principal objection concerns the requirement that at least half or some other share of their student body must be chosen by lottery from among all applicants. Well-established private schools regard their selective admissions policy as a fundamental ingredient of the school's raison d'etre. A response from the headmaster of one of San Francisco's older and established private schools summarized this position this way:

> ". . . the voucher plan. . . would not be acceptable to our school. . . . The requirement for 50% of the student body to be chosen at random would vitiate our entire purpose as an independent school, as it would not allow us to select our student body and to direct our curriculum to their specific needs. . . To require that 50% of the student body be chosen at random would make our school another public school with a necessary cross section of students and courses we are not competent to offer . . . The voucher plan would,

> in my belief, therefore, destroy the variety of educational choices which it is supposed to protect, and on this basis I consider it ill-conceived."

This position was stated, one way or another, by many of the nonpublic schools contacted during the study period.

In surveying over 100 nonpublic schools in San Francisco only a handful expressed interest in participating in the proposed voucher demonstration. Opposition of the California Association of Independent Schools, representing the older and generally well-placed private schools, pre-occupation with conducting the business of schooling the the smaller schools, and a generalized disinclination to become engaged with even a study of the voucher proposal, all contributed to a low response rate.[8] The response from one Principal-Administrator-Teacher in one of the relatively new schools in the Outer Mission was characteristic of the position taken by other new school entrepreneurs:

> "I was not impressed with your questionnaire as you profess to be investigating the possibilities of a voucher system, yet if parents are to be paying for their child's select education, you have expressed no interest in finding out the philosophy of the schools you are questioning. You ask about ratios, money, salary, school population."

Another principal in a medium sized elementary school took the position that the requested information on student enrollment, school income, teacher qualifications and ethnicity was "classified". About a half dozen non-sectarian schools appeared to find the proposal plan acceptable. The uncertainty and hesitation which characterizes the nonpublic school response to any kind of investigation or inquiry, referred to above, suggests that voluntary participation by a significant number of schools in a voucher demonstration in the next year or, perhaps, in the near future, seems doubtful.

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[8]The survey instrument, appearing in Appendix C, together with an outline of the OEO voucher proposal was mailed to 107 nonpublic schools in San Francisco. After a follow-up mailing of non-respondents and a telephone reminder, only 26 usable questionnaires were returned.

It must be pointed out, however, that no effort was made during the feasibility study to try to overcome the prevailing attitude of non-acceptance that we found. It may be that at least some of the fears of unworkable and arbitrary controls could be reduced and certain of the "binding conditions"[9] of the OEO voucher model re-worked through a process of accommodation and negotiation, tasks beyond the scope of this study. For the present, however, the principal features of the OEO voucher model proposal, to which demonstration must conform, either hold little interest for or are unacceptable to many nonpublic private schools in San Francisco who must be expected to play a major part in the experiment's success.

Accommodation to some form of government regulation and acceptance of most features of the OEO model seems to be less of a problem with Catholic school administrators with whom we spoke. Constitutional problems aside for the moment, on a number of questions which the independent private schools had serious problems with, the Catholic schools saw no insurmountable barrier. The Catholic schools share several characteristics with the public school system. Catholic schools generally operate on an enrollment basis whereby restrictions on student selection are limited to preference for in-parish Catholics, and then others can be admitted. The percentage of non-Catholics attending these schools has risen steadily over the years to approximately 9% at present. To the extent that a standardized administrative routine and a fairly generalizable educational program can be said to exist in the public system, this is likewise true in Catholic schools. Catholic school enrollment in many schools reflect in some measure the ethnic diversity of the elementary school population and compliance with racial balance quotas, while no easy task for any system, appears to be within the realm of the possible at least in some parishes. Finally, the Catholic school sector is currently undergoing an

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[9]This characterization was contained in a letter response from one private school which also indicated a willingness to explore alternate possibilities in the future.

extensive re-evaluation of their overall educational mission, and their administrative, management and financial condition which tends to make them somewhat more receptive to the kinds of system changes required under the voucher proposal than might otherwise be the case. As a "system" this one seems most compatible with the public school sector. As we will see below in Section VIII however, the Constitutional barrier to participation in a voucher demonstration by the Catholic sector is formidable.

2. Public Sector

Opposition from most of the organized public school leadership was expected when the original voucher report was published by the Center and later adopted by the OEO. The National Education Association at the national level, the San Francisco Classroom Teachers Association, the American Federation of Teachers and the San Francisco Association of School Administrators are all on record in opposition to the purposed plan.[10] A recent statement prepared by the SFCTA Executive Board accurately reflects the form in which this opposition is often voiced:

> "True integration in education requires. . . (a)voidance of all plans, such as the so-called "Voucher Plan" under which education would be financed by grants to parents which could lead to racial, economic and social isolation of children and weaken or destroy the public school system."

While it is true, as we discuss in greater detail below, that the voucher concept appears to be inherently incompatible with current efforts to achieve racial balance (though not integration per se), presentation of this position in the above form appears to be a case of wrapping oneself in the flag. There are a number of bread and butter reasons for these groups to oppose the voucher plan growing out of public school decentralization and the multiplication of separately managed nonpublic schools.

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[10] The San Francisco Federation of Teachers has proposed a comparable resolution which declared their opposition to ". . . performance contracting, the voucher system, and all other attempts to undermine or otherwise diminish the role of public education in our society. . ."

Voucher schools would presumably hire their own staffs and the practice of centralized hiring and personnel management would be jeopardized. Questions of tenure, working conditions, and salaries for voucher school teachers would, as one local union official put it, create a "chaotic bargaining situtation," although extension of the current Memorandum of Understanding to cover voucher schools could conceivably standardize some, if not all, of these terms and not leave teachers completely unprotected. It is not the function of this report to address the question of whether public school teachers and administrators in San Francisco have "priced themselves out" of the non-public school market, but the fact is that salaries and conditions in the nonpublic sector are typically arranged on a school by school basis[11] and differ both from the public school sector (salaries are lower) and within this sector.

In our survey we asked parents, teachers and field administrators whether they thought the voucher plan would weaken the position of the public school system. Over three-quarters of those who are relatively well-placed in the system, school principals and assistand principals, agreed to this proposition, while 57% of the teachers felt the same way. Parent opinion was fairly evenly divided between "would," "wouldn't", and "undecided" (See Table 4).

About 40% of the teachers, however, would be willing to participate in a voucher plan and would consider organizing a school if funds were made available, indicating that the "protectionist" concerns are not uppermost in the minds of a substantial number of teachers. While very few administrators would be willing to participate in a voucher plan (only 15%), a somewhat larger number (26%) would consider starting a school given the resources (See Table 5 below).

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[11] The recent strike by Catholic school secondary teachers indicates, however, that bargaining in this sector at this level has become centralized and more closely reflects the situation in the public sector.

TABLE 4

VOUCHER PLAN IMPACT ON THE PUBLIC SCHOOL SYSTEM*

Respondents		Would weaken system	Would not weaken system	Undecided
Parents	%	37.1	28.7	32.5
Teachers	%	57.0	25.9	17.2
Administrators**	%	77.7	7.4	14.8

* In the survey instrument the language of the statement was as follows: "the education voucher plan would weaken the position of the public school system."

** 48% of all administrators responding strongly agreed with the survey instrument statement.

From our discussions with teacher union representatives, and in comments received from teachers and administrators it was also clear that there does exist a strong belief in the function of the public schools as a "social and economic equalizer" and in its capacity to provide "important life experiences" for the children who attend.

Attitudes on the part of public school people about the voucher are obviously governed by a host of considerations -- self interest, the desire to develop professionally, the sense that there is something fundamental worth preserving in the public school way of approaching education of the young. There is undoubtedly a fair measure of "the devil you know is better than one you don't" operating as well. Rapid change has become not a totally agreeable way of life for people in the public school system, and this is particularly true in San Francisco. Acceptance of the voucher among public schoolmen in San Francisco has been predictably cool.

3. Parent Attitudes

Since the voucher concept is predicated upon consumerism in education and one of the principal objections made against this notion is that parents, and particularly poor parents, are in a poor position to intelligently select their own schools, we included several questions in our surveys directed at this problem. Under the proposed voucher model, the EVA is slated to play a large role in information collection and dissemination so it is clear that OEO has recognized the importance of providing parents with adequate information to assist them in making wise choices.

In the first instance, we were interested in discovering whether public school parents felt that they should have the right to select their own school. Nearly 82% of all parents felt this was a right they should have.[12]

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[12] In a recently conducted national sample by the Gallup organization, an overwhelming majority of parents agreed "there should be a right to choose" their own schools.

Responses from parents whose children are currently being bused under the Horseshoe Plan did not feel any more strongly about this question than those who were not.

Notwithstanding this emphatic statement of fundamental parent rights, however, the parents' own assessment of their capacity to exercise this right was candidly modest. Only 36% of all parents felt they had enough information to select a school for their child (See Table 6 below).[13] This response is consistent with the findings of the 1969 Gallup survey, "How the Public Views Nonpublic Schools" to the effect that "by almost every test the public reveals little knowledge about nonpublic schools, especially about private non-church schools," even in their own communities.

This self-assessment of parental inability to select schools was even lower among the poor and low-income groups and the ethnic minorities. 50% of the White parents felt they had sufficient information to make a choice, while between only 20 to 30% of the Blacks, Spanish Surname and Asian respondents felt this way. Less than one-third of the parents at poverty levels (according to OEO poverty criteria) felt they had enough information,but 54. 8% of upper income parents responded in the affirmative.

The implication of these results as far as the voucher demonstration is concerned is that the principal population for whom the program is designed have clearly indicated that they, more than any other group, need information about the schools before they can exercise their preferences in any meaningful way. This self-assessment is corroborated by parent responses to questions about information concerning the public schools to which they now send their children, nearly half of the parents stating that they are not able to make sound decisions about programs in their present schools (Table 9 below).

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[13] Teachers (39%) and field administrators (35%) agreed with the parents own assessment of their need for more information.

It can be argued that parents not only need information about non-public schools (how many teachers, with what qualifications, what announced educational approach is followed, etc.), but orientation and training in how to evaluate education. Otherwise the exercise of free choice will not be meaningful. Some voucher proponents disagree with this proposition and argue that each family, for better and for worse, should have the power to choose without "interference" in the form of assistance in parent training or administrative regulation of voucher schools. Those who recognize the need for upgrading the capacity of parents often tend to underestimate the nature of the task. We believe our survey results demonstrate that the information gap is sufficiently wide and the need for parent training of such importance that an adequate program would take a year or more to plan and execute even on a demonstration basis. Conducting such a program on a "crash" basis and then wait to see what happens (if it worked, if parents and children managed to find themselves suitably placed) would not be a policy we would recommend.

Apart from the capacity question, are parents willing to participate in a voucher demonstration and are they interested in starting their own schools if others were not available, convenient or deemed suitable? About half of the parents responding expressed their willingness to participate in the voucher demonstration proposed by OEO with about 30% of the parents undecided. Only 15% of the parents indicated they would be unwilling to take part (See Table 5). Middle income parents were the most interested group followed closely by low and then upper income parents.

As a group, parents tend to support the principle that parents should be provided with the means to start their own schools, but not a by a wide margin (45-37%). About one-third of the parents indicated they would consider organizing a new school if funds were made available. A disproportionately large percentage of Asian parents (61.3%) supported the principle that parents should be given the means to start their own schools indicating, perhaps, some solidarity in the Chinese community for the "freedom schools", although the Asian respondents appeared no more interested in organizing schools themselves than other groups. Significantly, Black parents were the least interested in starting their own schools

TABLE 5

WILLINGNESS TO PARTICIPATE IN VOUCHER PLAN/ START NEW SCHOOLS

	Willing to Participate in Voucher Plan			Support Parent right to start new schools		Would consider starting a new school		
Respondents	Yes	No	Undec.	Yes	No	Yes	No	%
Parents								
Spanish Surname	40.5	12.5	33.8	44.2	30.2	43.3	28.0	%
Other White	45.3	18.4	22.6	48.6	34.6	35.4	48.9 ***	%
Black	42.5	15.4	33.6	27.6	54.7	29.4	53.3	%
Asian	48.6	12.1	32.9	61.3	22.0	36.4	35.3	%
Other Non-White	53.9	7.8	33.9	40.0	39.1	39.2	38.3	%
TOTAL PARENTS	49.1	14.9	29.3	44.9	36.7	35.4	43.6	%
TEACHERS	40.8	30.1	26.6	30.7	55.3**	40.3	50.7	%
ADMINISTRATORS	14.8	62.9*	20.6	22.2	74.0*	25.9	51.8	%

* 41% of all administrators responding indicated that they were strongly against participation in a voucher plan and 52% strongly disagree with parents starting their own school.

** 30% of all teachers disagreed strongly that parents should be provided with the means to start new schools.

*** 30% of all Black parents responding indicated that they would definitely not consider starting a new school.

and appear to be even less favorable towards the idea that parents should do so. Their low response to this question may stem from the fact that the NAACP and other civil rights organizations have consistently opposed the voucher, reflecting their experience in defeating voucher systems in the South which were specifically used to perpetuate racial segregation.

D. The Economic Argument

Above we tried to point out that there is a sound educational argument for adopting measures to develop closer ties between the public and nonpublic school sectors. There is also a strong economic argument which supports the view that the development of cooperative ventures and the exchange of support services could be mutually beneficial for all school parties.

It is an all too familiar story to School Board members and the general public that all educational institutions are faced with a severe financial crises. Inflation, the current economic dislocation, rising teacher salaries, the soaring costs of all goods and services have contributed to a financial plight which threatens all school systems, but the nonpublic school sector with special force. Kraushaar reports,

> "If one were to sort nonpublic schools into the three categories employed by Dr. Earl F. Cheit's December, 1970, Report on behalf of the Carnegie Commission on Higher Education, we would place them, on the basis of an informed guess as follows: 10 percent 'not in trouble,' 40 percent 'headed for trouble,' 50 percent 'in financial difficulty.' It is not only Catholic schools that are in trouble. Many schools of other groups are engaged in a grim struggle for survival. As for the Independent school realm, though it contains a substantial number of well-established schools that are by dint of long-range planning, good management and realized fund-raising potential in better shape than many improvident nonpublic schools, the predictions of experienced headmasters is that 'many schools won't make it.' Moreover, the life expectancy of new experimental schools, which should be as a leaven in the lump of traditional private schooling, is usually all too brief, chiefly because of the inability of most new schools to establish a sound financial footing." [14]

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[14] American Nonpublic Schools, Otto F. Kraushaar

The Archdiocese of San Francisco recently issued a financial report showing that the Catholic schools were $16 million in the red and going further into debt. In San Francisco the Catholic schools which are perilously close to shutting down are located in the inner city, where parents are least able to pay the rather modest tuition now charged.

If State and Federal aid for the nonpublic schools now under consideration is not forthcoming in significant amounts, the nonpublic school sector will be seriously weakened by accelerated school closings or, perhaps worse, progressive deterioration in the quality of education which the surviving schools will be capable of offering. Such a development might be viewed by single-minded advocates of public education and the hard core separationists as a consummation devoutly to be desired. But many a taxpayer may lend a sympathetic ear to advocates of financial assistance programs and to cooperative efforts to avoid the prospective cost associated with shifting one-third of the current elementary school population onto the public school rolls.

While it is reasonably safe to predict that no such wholesale closing of nonpublic schools will take place, it is also true that enough Catholic schools have closed or are on the verge of closing to alarm the beleaguered taxpayer who is already in revolt over present levels of school cost.

In San Francisco the maintenance of the current nonpublic school sector saves local taxpayers literally tens of millions of dollars. It makes good economic sense to support the education of children in nonpublic schools so that they do not have to be supported out of the same tax base that now supports the current public system.

We have already seen that many nonpublic schoolmen do not view this crisis as "solvency at any cost". Though they may need the guaranteed aid promised by the tuition voucher, many still cannot accept the conditions and regulatory scheme proposed by OEO. Other forms of assistance and support which do not appear to so directly jeopardize the schools' autonomy, however would undoubtedly be welcomed.

In the Section on Alternative Approaches we outline several initial steps which might be taken by the School District that could contribute to the institutional stability of the nonpublic schools.

In summary, there are many benefits to be achieved in fostering mutuality and developing inter-institutional relationships between the public and the nonpublic school systems, but for many reasons the proposed voucher mechanism does not appear to be an appropriate nor largely acceptable mechanism for bringing this about. Many private, non-sectarian schools in San Francisco do not want to participate in a public program which threatens their autonomy with administrative or other controls.

While the public school establishment uniformly opposes the voucher plan, a significant portion of the teachers in San Francisco would be willing to participate and indicate an interest in starting their own schools if funds became available. The regulated voucher model contains administrative controls sufficient to protect the public and ensure non-discrimination (though not racial balance) which leads us to find that the claim that it would "destroy" the public school system largely exaggerated. On the contrary, all things being equal, one of the voucher goals -- bringing the public and nonpublic schools into some relation with one another -- would probably strengthen public education.

Parents, though expressing a willingness to participate in a voucher demonstration, also indicate that they need to know more both about the nonpublic school's and need increased capacity to evaluate educational alternatives.

In the following Section we discuss the nature of parental preferences as they were expressed in our surveys and analyze the nonpublic school market's capacity to meet these preferences.

VI. ACCESS TO NONPUBLIC SCHOOLS

The proposed voucher demonstration has, as one of its major goals, increasing accessibility to nonpublic schools, particularly for the poor and educationally needy. To accomplish this goal, the central tool relied upon is the tuition voucher. If parents have the money, so the market mechanism argument goes, their "purchasing power" will permit them (1) to enroll in existing nonpublic schools of their own choosing, (2) to organize their own schools (with the help of seed capital supplied by the government), or (3) to attend new schools which enter the marketplace in response to the demand created by parents. For planning purposes, the Board and the proposed EVA would need to know how parents would exercise their freedom of choice under a voucher demonstration. The feasibility question becomes: is it likely that patterns of parent preference and behavior would increase accessibility to nonpublic schools? In short, what would happen under a voucher demonstration?

We will examine the school supply questions below, but first it might be useful to examine the nature of the potential demand function and to compare that demand with the responsiveness of the current and prospective San Francisco nonpublic school market.

In our parent survey, we were able to ask a limited number of questions concerning parent preferences and behaviors under the proposed voucher plan. Evaluating responses concerning future behavior and estimating respondent follow-through (i.e., would you start a school) involves a whole cluster of factors which are difficult to weigh and is beyond the scope of this study. However, some resonably strong indicators were registered which bear consideration, together with the policy decisions to be made by the Board on this matter.

Table 6 below displays parent responses by ethnicity and income to four separate items which bear directly on accessibility issues. Above we discussed the importance of information for parents in terms of their capacity to choose among schools. Their own assessment of their considerable needs in this area may contribute to the relatively strong preference for the familiar

Indicators of Parent Behavior Under A Voucher Plan By Socio-Economic Status

Table 6A (Ethnicity)

	Response	Spanish Surname	Other White	Black	Asian	Other Non White	Total Parents
Parents are well enough informed to select child's school	Yes	23.5	50.6	29.0	24.9	32.1	36.4%
	No	61.8	34.5	54.2	57.2	56.5	48.4%
Would consider starting a new schoc	Yes	43.3	35.4	29.4	36.4	39.2	35.4%
	No	28.0	48.9	53.3	35.3	38.3	43.6%
Would leave neighborhood to attend school of choice	Yes	25.0	34.1	52.3	14.4	17.4	31.6%
	No	70.6*	57.5	43.9	80.3*	73.0*	61.9%**
Preference of Schools by type	Pub.***	41.9	45.7	56.1	63.0	53.0	51.0%
	Parochial	29.4	11.1	6.5	3.5	20.0	12.2%
	Other Private	16.2	32.4	31.3	22.5	20.0	27.1%

*58.1% of all Spanish Surname, 49.1% of all Asian, and 48.7% of all other Non-White parents responding indicated that they would definitely not leave their own neighborhood to attend a school of their own choice.

**41.0% of the total number of parents responding indicated that they would definitely not leave their neighborhood for a school of their own choice.

***Preference includes current public school or another public school.

Indicators of Parent Behavior Under A Voucher Plan By Socio-Economic Status

Table 6B (Income)

	Response	Poor	Low	Middle	High	Total Parents
Parents are well enough informed to select child's school	Yes	31.5	37.6	37.6	54.8	36.4%
	No	56.8	45.8	46.9	38.2	48.4%
Would leave neighborhood to attend school of choice	Yes	32.4	29.3	30.3	37.5	31.6%
	No	62.3	62.4	64.9	57.7	61.9%*
Would consider starting a new school	Yes	37.4	39.5	38.8	34.7	35.4%
	No	38.3	38.8	45.6	59.7	43.6%
Preference of schools by type	Pub**	54.1	49.7	47.4	59.0	51.0%
	Parochial	12.5	14.0	13.1	7.6	12.2%
	Other Private	25.9	24.2	31.1	26.4	27.1%

**Preference includes current public school or another public school.

*41.0% of the total number of parents responding indicated that they would definitely not leave their own neighborhood to attend a school of their choice.

public schools (51%) over private (27%) and parochial (12%) schools.[1] Exclusive of Spanish Surname and Other Non-Whites, who are largely Filipino, the stated preference for parochial schools is quite low when compared with non-sectarian school preferences.

Spanish Surname, Asian and Other Non-Whites are much more strongly opposed to leaving their neighborhood to attend a school of their own choosing than either White or Black parents. As a group, 62% of the parents indicated that they would not even consider doing so. Comparing the responses of parents whose children are currently bused under the Horseshoe Plan, we found no significant difference in responses to this question.

If half the public school parents are willing to participate in the voucher demonstration (See Table 5), but only 32% of these (mostly Blacks and Whites) would be willing to consider leaving their neighborhoods to exercise their choice, a considerable barrier to the maintenance of a demonstration on the scale proposed is encountered.[2] Only about 6400 parents from all over the city would leave their neighborhood to attend a voucher school.

Most of the existing nonpublic, non-sectarian schools are located in predominantly White neighborhoods. Except for Black parents, half of whom indicate that they would be willing to leave their neighborhood in order to enroll their children in schools of their choice, an insignificant number of parents from other ethnic groups seem likely to enroll in these existing schools. Given

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[1] Comparison of San Francisco parent responses to a national sample conducted by the Gallup survey "How the Public Views Nonpublic Schools" shows somewhat less preference for parochial schools which is attributable to the larger representation of largely non-Catholic Blacks and Asian parents in San Francisco as compared to the nationally stratified group. Gallup's reported results were: public (41%), private (30%), parochial (29%).

[2] Thirty-two percent of half the current public school elementary enrollment (approximately 20,000) is 6400 on a citywide basis. The proposed demonstration contemplated has a participation of 10,000 - 15,000 children in a target area within the City.

the means, it is conjectural whether Blacks in large numbers would seek out voucher schools in predominantly White neighborhoods. Differentiation among responses based on income was quite low, suggesting that identification with the neighborhood is more a function of ethnicity than with economic status. Rich or poor are about as likely or unlikely to select a voucher school outside their neighborhood.

Just how strongly parents feel about sending their children to school in their own neighborhood needs little elaboration given the response which has followed in the wake of the Horseshoe Plan. Well reported direct action by some parents in starting their own schools and by others in withdrawing their children from the public schools in large numbers are events which are consistent with our findings with regard to parent preferences, indeed, are themselves expressions of market demand.

One middle income parent who gave the public schools fairly high marks overall and would choose to continue in the public school system even if alternate choices were offered under a voucher plan added this caveat -- "but only as long as you know that (your child) would go from K to 6 or 7 to 9 in the same school near home". The Zone, it is clear, is not the neighborhood.

Under a voucher demonstration most parents would send their children to schools in their own neighborhoods, if that were permitted. This demand, however, would go largely unmet at the present time since poorer ethnic neighborhoods have few private schools. The combined preferences for neighborhood and public schools by ethnic minorities suggests that parents who live in poorer neighborhoods may not "shop" existing nonpublic schools with quite the eagerness assumed by voucher proponents. Consumerism in education, as in other markets, requires a certain level and specificity of demand in order to work. Parent demand, of course, could be and should be better developed, more articulate, more exacting. But the assumption that this condiction obtains at present is questionable. One alternative supply strategy is the establishment of new schools in each neighborhood. We discuss

this alternative and forecast the rate at which this could be expected to take place below.

The current expression of total parent demand[3] -- 11,100 for private and 5,000 for parochial schools -- from all parents, if met, would about double the size of the current nonpublic elementary school enrollment in San Francisco.

A. Nonpublic School Supply

1. Current School Stock

The existing supply of nonpublic school places in San Francisco needed to support a voucher demonstration is severly limited. With respect to private, non-sectarian schools this is in part a function of low receptivity to the voucher plan on the part of schools in this sector but, more importantly, is related to lack of available spaces. With an estimated 6000 students currently enrolled in 65 private sector elementary schools, and a waiting list of nearly half that number now seeking admission, it is difficult to see how voucher students could enter these schools in any appreciable number.

In our survey of private schools we sought to discover whether these schools had any capacity to expand and, if so, at what cost. From our responses, we found that total nonpublic school capacity to expand was limited to an additional 1000 places (about 15% of total enrollment) at their current site. Cost estimates for additional space accommodating an additional 25 students ranged from $2,000 to $30,000, averaging $12,725. Assuming that these schools would expand and accept the conditions of the voucher demonstration, the projected cost of adding voucher students to their student bodies', using respondent cost estimates, would be approximately $500,000 in capital outlays for each additional 1000 voucher students. For the purpose of our supply forecast we will assume half can remodel and make other preparations within the first year, the others in the second.

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[3] A projection of expressed preferences based upon affirmative responses by school type times (x) current total public school elementary enrollment (approximately 41,000). The total percentage of San Francisco parents expressing a preference for nonpublic schools is below that reported by Gallup in his national survey.

The larger schools, typically tied to a relatively expensive school facility, have considerably higher costs for and limited capacity to expand. Funds for new construction have been uniformly unavailable. The newer, smaller schools which have greater mobility, rely upon rented or donated space in church halls, warehouses, and other community facilities and whose capacity to capture resources for their schools appears often boundless, have lower costs for expansion, annexation, merger and growth generally.

These new schools, which also share fewer of the built-in attitudinal problems concerning acceptance of the voucher, promise to provide the impetus and leadership for expansion of the nonpublic school sector in the years just ahead. The development of these new schools, some outgrowths from pre-school and day care centers and others begun by parents and teachers seeking alternate schooling environments for their own children, could provide a basis for limited public-private school experimentation along a number of lines, some of which are described more fully below, but most seem not yet mature enough to participate in a full-fledged voucher experiment.

At most, new school development at the elementary level which has occurred over the past couple of years, serves between 750-1000 students and represents no more than twenty schools. Many new schools are still grappling with internal start-up and growth problems, curriculum design, adjustment of parent-teacher-pupil roles and a host of other matters which consumes, by their own account, more time than they have. Harvey Haber, an alternate school advocate and founder of the New Schools Exchange, a clearinghouse for information on new schools, has reported that the life expectancy of a new school appears to be about eighteen months. This somewhat sobering but candid appraisal of the hardships encountered in starting new schools provides at least some reference point for also evaluating the likelihood that new school entrepreneurs will will enter the San Francisco school marketplace or that parents in great number will succeed in starting their own schools if a voucher plan is introduced.

With reference to the "freedom schools" developed after implementation of the Horseshoe Plan, our interviews revealed that, in all likelihood, these schools will survive as a permanent part of the nonpublic school sector. Current tuition charges in these schools range from $5 to $35 per month. To varying degrees, educational costs are additionally financed by individual parent and family subsidies and by community organizations. Most of these schools extend preferential admission to families in the neighborhood and appear somewhat restricted in their capacity to expand. One such school we visited conducts classes on a double shift basis and is exploring ways of extending classes to a full day schedule.

In the parochial schools, barriers to expansion for the purpose of admitting voucher pupils, are similar to those existing in the larger private schools -- large and costly physical school plants located on crowded parcels, an involuntary moritorium on new construction due to lack of resources, and waiting lists. If Constitutionally acceptable, voucher pupils would find an additional barrier to enrollment in parochial schools which extend admissions preferences to those living in the territorial parish and who are of the faith of the denomination. All parochial schools are admitting children who do not share denominational affiliation with the school in increasing numbers, however.

As far as a voucher plan of the dimensions proposed is concerned, it seems clear that the existing nonpublic school market could not provide parents with a feasible number of enrollment opportunities at a reasonable cost at the present time. Existing schools would in all probability want to give preference to those already on their waiting lists before admitting voucher pupils. Under an expansion program nonpublic schools would thus become "partial" voucher schools. Since public schools must meet racial balance quotas, we see no justification for not insisting upon an admissions policy for new "partial" voucher schools which would do otherwise. This would mean, in all probability, that such schools would be required to admit all minority students until balance is achieved. At best, no more than 1000 places might be found in the private, non-parochial schools, through a half-million dollar expansion program, some portion of which might be borne by OEO.

2. Development of New Schools

If the supply of available spaces in the existing nonpublic school sector is inadequate to support the demand under a voucher plan, two alternative avenues need to be examined -- the prospect of new schools entering the market and the likelihood that parents, teachers and community groups will develop new schools.

Several things are needed to support the entry/development of new schools -- capital, human resources (teachers, volunteers, aids), organizational skills (entrepreneurship, technical competency, etc.) and motivation.

We will assume that, as indicated in our findings, a substantial, though not overwhelming, demand exists for more nonpublic schools in San Francisco.

First, even without the voucher, San Francisco parents have expressed a demand for more nonpublic schools over the past several years, as well as at the present time. This demand has not been met by independent, outside professional "school enterprises" as opposed to local parent-teacher-community sponsored schools for a fairly simple reason. There is very little, if any, money to be made on investments in complex, labor-intensive enterprises like education.[4] Private performance contractors have not, as some rather intemperately allege, made whopping profits on delivering educational services. At best, they showed they could perform about as well in educating children as the public schools and breakeven. In many instances they have lost money. Based upon this experience, it is not likely that many

[4]One example might be given to illustrate this point. Recently, several major corporations made pilot investments in the day care field in order to test the profitability of this kind of venture. They found it was difficult, under the best of circumstances, to operate day care centers on a breakeven basis. Independently, Abt Associates came to the same conclusion in a nation-wide study entitled, A Study in Child Care, 1971.

"school enterprises" would start schools, but perhaps a few might. For our purposes, we might assume that perhaps two would enter the market the first year, perhaps another three the second.[5] We will assume further that these schools will start with a beginning enrollment of 150 voucher children each and that their start-up time is shorter than for parent organized schools.

What, then, are the prospects for the development of new schools by parents, teachers and community organizations if a voucher demonstration were to be instituted.

In our surveys, many parents (35%) and teachers (40%) have indicated that they would consider starting a school if funds became available. How "hard" these expressions of intention might be is difficult to evaluate, since to actually start a school a number of complex steps and demanding activities need to be engaged in to accomplish the desired result -- opening a voucher school. Within a group this large, however, it seems certain that both the requirements of human resources and motivation sufficient to support some effort at starting voucher schools exists. OEO has proposed that it is willing to make a partial start-up grant (they suggest 25% of projected first year capital costs) and would make an advance against voucher receipts of up to 60% of total annual operating expenses.[6] The remaining unknown factor in attempting to forecast how many new schools might be developed is the question of organizational ability and entrepreneurial talent.

As mentioned above, people who are in a position to know, say starting new schools is an uncertain and difficult undertaking. On the other hand highly motivated parent groups started several "freedom schools" in a matter of weeks which, if not educationally innovative, are going strong and are responsive to the demand expressed by parents.

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[5]Behaviorial Research Laboratories in Palo Alto has expressed an interest in organizing a school if vouchers are tested.

[6]The OEO Regulated Voucher System: Selected Issues, Pg. 22

Evaluating the rate of the development of new schools in San Francisco over the past several years is probably as good a guide as any in attempting to forecast future behavior. About twenty of these schools have been developed within the past five years, or at a rate of about four per year. If we assume that seed money grants and advances against some portion of tuition would stimulate this average "normal" rate of growth by, as much as say 50%, this suggests new schools[7] might be developed at the rate of about six per year until some time in the future when either organizational and school management talent or parent demand is exhausted. Start-up time for parent organized schools is estimated to be about one year. This assumption requires that new school organizers raise 75% of the initial capital costs of start-up which are estimated to be in the range of $5,000-20,000 per school.[8]

In order to determine if any established community groups or neighborhood organizations in San Francisco would be interested in sponsoring a school under a voucher plan, 200 organizations were surveyed.

The questionnaire (See Appendix C) attempted to discover:

(1) which community groups are currently sponsoring schools and/or training programs;

(2) whether any interest in forming or sponsoring a new school existed;

(3) what would be the major objectives of such a school;

(4) whether such organizations would require and accept technical assistance paid for by the government in opening such a school, and;

(5) whether these organizations were aware of any other groups or individuals who might be interested in a voucher plan for starting new schools.

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[7]Prior experience in San Francisco with parent-developed schools shows a pattern of initial year enrollment of 25-50 students. Six schools times (x) 50 children is 300 children per year.

[8]For our purposes we will use the figure $10,000 for new parent organized schools.

Those groups surveyed composed a general crossection of community organizations in San Francisco. Special emphasis was placed on those groups already operating schools and training programs and on those aimed at or specifically dealing with education activities and youth programs.

Just 7% of those surveyed responded but from those questionnaires received and limited follow-up contact some valuable information was collected.

It appears that a modest number of community organizations in San Francisco are either now sponsoring some sort of special purpose school or training program or would be interested in doing so under a voucher plan if more information were available to them.

The schools/training programs now being conducted by community groups include:

(1) Head Start and Preschool Education Programs

(2) Education for those persons newly arrived in the U.S.

(3) Occupational training in typing, shorthand, English and Math

(4) Classes in the media field: photography, cinematography, and closed circuit television production.

(5) Programs designed to improve student-teacher relationships through group encounter

(6) Tutorial programs offering remedial reading and math programs for school drop-outs

School programs for drop-outs and young adults, bilingual family schools, schools accountable to the students and in which students have the ultimate decision regarding curriculum and design of course work are some of the programs which community organizations in San Francisco would like to develop in their neighborhoods.

The fact that the education programs now conducted are specialized, both by type and by student population, suggests that the responding organizations would have to shift the principle focus of their program in order to maintain general education programs for elementary school aged children and be adequately motivated to do so.

For many organizations, development of an elementary school could create a circumstance requiring them to abandom their original purpose and, perhaps, their current clientel. We will assume at least two community organizations would start voucher schools with 50 students each year of the demonstration.

The community organizations which currently support some kind of education and training program are important in that they possess demonstrable organizational skill and experience which are critically important to parents and teachers if new schools are to be developed. Based upon our own experience, as well as that of others, it is clear that it is difficult to overstate the need for entrepreneurial skill in this kind of undertaking. These skills, further, are not readily transferable through technical assistance programs or otherwise, but must be identified, developed and retained within the organizational core that forms the nucleus of the school.[9]

One signal which favors the steady growth of nonpublic schools is the gradual development of a network of new schools information, how-to-do-it manuals,[10] and other supportive mechanisms. Sharing arrangements among existing schools are just beginning to be developed but if the present ferment of growth is to continue much more needs to be done.

We have suggested that the only real promise of increasing access to nonpublic sector schools for voucher pupils lies in the development of and support for new schools. The table below illustrates a rough approximation of the potential number of school places which could become available under a voucher demonstration under the assumptions made above (See Table 7).

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[9] In the Abt Associates study of day care centers it was found that very often the only significant difference between success and failure in the development and operation of these programs was the capability and leadership of the center founder and executive director.

[10] A useful example of one of the more comprehensive of these is Doing Your Own School, to be published soon by Beacon Press.

TABLE 7

ACCESSIBILITY TO NONPUBLIC SCHOOL PLACES IN SAN FRANCISCO

	Total curr. enroll.	Waiting Lists	Parent* Demand	Capacity To Expand	DEMONSTRATION YEAR One	Two	Three
CURRENT SCHOOL STOCK							
Private	6000	2400	11,100	1000	500	500	-0-
Parochial	13000	2700	5,000	-0-	-0-	-0-	-0-
NEW SCHOOLS							
Sch. Enterprises	-0-	NA	SAME	NA	300	450	450
Parent Schools	-0-	NA	SAME	NA	-0-	300	300
Community Org. Schools	-0-	NA	SAME	NA	100	100	100
TOTAL VOUCHER PLACES AVAILABLE					900	1350	850
TOTAL CAPITAL INVESTMENT REQUIRED**					$470,000	530,000	280,000

* Based on San Francisco Parent Survey.

** Expansion costs by existing schools per respondent school estimates; school enterprises capitalization assumes $100,000 initial outlays per each school serving 150 children; Parent Schools + Community Organization Schools average initial capital outlay is $10,000 per school serving up 50 children. OEO share is 25% of stated capital investment requirements.

Again, forecasting complex behavior dependent upon many external variables is always a difficult task, but we feel the assumptions we have made are, if anything, on the optimistic side -- that is, our assumptions were made on the side most favorable to opening spaces for voucher pupils. For example, our assumptions contemplate expansion by ten existing schools and establishment of four new schools in the first demonstration year and the development of 11 new schools in year two.

Under our assumptions and OEO's formula of assistance, initial year capital investments of $117,500 by OEO and $352,500 by local parents, community organizations and private entrepreneurs would be required to accomplish what we say seems feasible. In year two OEO would finance $151,500., and the local share would be $378,500 to support our forecasted start-ups. To reach total of 2250 new places for voucher elementary pupils in the nonpublic private school sector would take two years and a capital investment of approximately $1 million under the most favorable assumptions. While this does not appear to be much of an increase, it must be compared with a current enrollment in this sector of 6000. Our growth forecast represents an increase by one-third, a dramatic jump in total nonpublic school enrollment. By the end of three years, total new enrollment would be half (3100) the size of the current nonpublic school sector. Our assumptions will require a substantial sum of money to be invested by parents, local community organizations and others and fulfillment of OEO's pledge to seed at least a share of the initial cost of getting started in order for this growth to occur.

Under these circumstances a substantial question of the realism of the timing and scale of the proposed voucher demonstration is presented. To provide access to nonpublic schools for voucher pupils on even a modest scale will take considerably more time than is contemplated by OEO. Our alternate voucher model, outlined below in Section IX, takes these problems into account.

VII. RESPONSIVENESS AND CHANGE IN THE PUBLIC SCHOOLS

One of the most important issues addressed by the voucher plan is responsiveness and change in the public schools: 62% of the parents we surveyed, and 52% of the teachers, felt that public schools are not meeting children's real needs. Responsiveness or "accountability" is a simple enough concept, if difficult to put into practice: educators should define their obligations and objectives and hold themselves responsible for achieving them.

Various profesionally oriented approaches to accountability are currently being developed or practiced in school districts and teacher training institutions, such as competency-based teaching, which makes a teacher's credentialing, hiring or rehiring conditional on his demonstrated abilities in the classroom. In California, a new State law requires that school districts soon must adopt teacher evaluation guidelines. The State Department of Education has suggested that each teacher be evaluated against a set of performance goals for his class. Probationary teachers would be evaluated every year and tenured teachers every other year; the results would hopefully be a factor in deciding whether to rehire a teacher.

The voucher plan approaches accountability in a different manner, through parent choice. Proponents of the voucher plan explicitly assume that competition will encourage popular schools to maintain or better their performance, and motivate unpopular schools to improve -- and that these unpopular schools will somehow be able to improve, or go out of business. There also seems to be an implicit assumption in the voucher plan that parents will involve themselves more in the schools during a voucher demonstration, because schools competing for students will tend to become more open and eager to engage parents in school concerns, and parents will tend to become more confident about their prospects for influencing the schools. Greater parent involvement, it is argued, will in turn make the schools even more responsive to change.

In our judgment, these assumptions about the potential for competition, and the effects of competition on the behavior of parents and schools, are open to serious question as far as San Francisco is concerned, and probably elsewhere as well. As explained below, the strategy of competition appears unrealistic -- in terms of the educational market, the public school experience, and parents' current role in the schools -- and largely irrelevant to the process of change in the schools.

A. Competition and the Public Schools

We have found that it would be Constitutionally questionable to involve parochial schools in a voucher demonstration. Private school participation would be limited, and few new schools would be established, at least in the short term. Under the most favorable circumstances, we estimate that no more than 900 private school places would be available citywide during the first year of a voucher demonstration, and about 3100 after three years. All this suggests that the private school "competition" facing public schools would be inconsequential.

Perhaps more importantly, in most competitive market systems the suppliers make some attempt to compare their own performance against that of other suppliers, and to understand and respect the preferences of consumers, insofar as this is consistent with their own values, abilities, and resources. In this sense the private schools have always been "competitive" with the public system and would doubtlessly continue to be so during a voucher demonstration. They have a tradition of a voluntary, contractual relationship with tuition-paying parents.

The public school experience has been entirely different. Assured a supply of students and public funds, public schools in San Francisco and elsewhere have never developed a contractual and competitive tradtion. "The public school is a 'domesticated' organization in that it is protected by the society it serves. It is guaranteed a steady flow of clients without competition, and there is therefore no struggle for survival in this type of organization."[1] All public

[1] Richard O. Carlson, in Daniel E. Griffiths (ed.), Behavioral Science and Education Administration, Chicago, 1964, pp. 264-273.

service agencies -- job placement, medical, housing, legal -- are "domesticated" in this sense, regardless of the presence of competition in the private sector. The financial and ideological support of society tends to muffle the force of any threats or incentives posed by the performance of private competitors.

The weight of this public agency tradition is such that most public school personnel know very little about their "competitors" in the nonpublic sector, and even tend not to consider private schooling a credible alternative to public education. In our survey, for example, only 16% of the teachers would prefer to teach in a private or parochial school, even though 40% would consider organizing a new school if funds were available. About 40% also indicated willingness to participate in the voucher plan. This suggests that while many teachers are dissatisfied with the public schools, they have a poor image of established private schools, and would prefer to organize new schools with a more "public" orientation -- open enrollment, integration, modest costs, etc.

Encouraging public schools to become more private, competitive, and client-oriented is precisely the change that the voucher plan hopes to introduce by giving parents the right and the means to enroll their children elsewhere. But since the public system has no relationship with the private sector at present, and competition is so foreign to the public school experience, we think it very unrealistic to expect the public schools to become "competitive" during the few years of a voucher demonstration or, indeed, at all.

For example, consider the public system's reaction this year to the loss of 6000 children, about 13% of the expected enrollment; many of these children enrolled in established or new private schools. While the District has offered some inservice courses, ESAP parent/teacher workshops, and the like, on the whole no new policies and programs have been adopted to restore parents' confidence in the public schools as compared to nonpublic education. Similarly, we would expect that as long as the "flow of clients" continued during a voucher demonstration, public schools would not be motivated to become more responsive. The strategy of competition between public and private, we conclude, is unrealistic.

Competition within the public system appears to have even less potential for improving public education. To begin with, legal requirements and policy choices ensure that ethnic quotas in public schools should be observed during a voucher demonstration. Thus transfers and new enrollments among the public schools would necessarily be restricted. Since parents' preference for neighborhood schools is incompatible with the standard of racial balance, many parents would not be able to send their child to the school of their choice, although some number might be able to send their child to an integrated school more acceptable than their present assignment. In any case, the public schools would not experience dramatic shifts in enrollment during a voucher demonstration. Hence competition would be but a modest force in the public system.

And again, we would not expect gains and losses of students to have a significant effect on the attitudes and behavior of public school staff. For example, there are public elementary schools in San Francisco which regularly lose students every week, and schools to which hundreds of parents have tried officially and unofficially to transfer their children. The experience seems to have been embittering and discouraging rather than challenging to the unpopular schools, and virtually without inspiration or significance to the popular schools.

In sum, we conclude that the OEO's strategy of competition among schools does not promise to motivate the public schools to become more responsive. The strategy is irrelevant in that public schools would not face numerically significant competition from private schools or amongst themselves. Moreover, the competition strategy is untenable in terms of the public school tradition and experience of protectionism and a guaranteed supply of clients.

B. Competition and Change

We have suggested that in a voucher demonstration San Francisco's public schools would neither experience meaningful competition nor be motivated by competition to become more responsive. Here we would like to discuss a key assumption underlying the competition strategy: that public schools, if motivated to change through participation in a competitive system, would have the skills, resources, and mechanisms needed to change.

In our judgment this assumption is open to serious question as far as San Francisco is concerned. In recent years the School District, like most school districts, has had difficulty keeping abreast of -- let alone anticipating -- changing needs and conditions. For example, in contrast to those who believe that the primary function of the schools is to offer a rigorous basic curriculum, many parents and teachers now support an open classroom approach to education, involving such elements as nongraded classrooms and flexible scheduling. Minority community organizations and parents, whose children represent an increasingly large proportion of the elementary school population, have begun to advocate for ethnic studies and minority hires.

While the School District claims to be "doing the best we can," key managers in the system readily admit the difficulties of responding to new needs. For example, the School District's last attempt at a citywide needs assessment was performed more than three years ago. At a recent School Board meeting, District reading experts offered to the Board and to the public the first comprehensive presentation about the District's most successful reading programs. A report on District inservice training concluded that "there is no planned, purposeful district-wide effort encompassing all staff and all in-service training." A December questionnaire on parents' attitudes toward the Horseshoe Plan represented the first large-scale survey of parent opinion in recent history.

Since the School District has trouble enough responding to internally generated demands, externally imposed changes severely strain the District's capacity. The proposition that the Horseshoe Plan introduced challenges which have not yet been overcome, needs no elaboration for those who have observed reactions in the schools, the central office, School Board meetings, and in the neighborhoods.

What are the implications of the District's experience for the feasibility of a voucher demonstration? In the first place, the voucher plan in no way directly addresses the process of change in the schools: assessing the needs of the children, setting objectives for meeting those needs, evaluating the

effectiveness of current programs, selecting or developing new programs if appropriate, and providing staff with the skills, resources, and support needed to teach them. Consider the effects of the Weigel Order's prohibition against tracking, for example. Many teachers accustomed to working with classes roughly homogeneous with respect to ability and ethnicity must now adapt to teaching multi-ethnic, mixed ability classes. Some have found their new roles and the task very difficult. Many parents, too, are worried that their children, whether slow learners or high achievers, are not receiving the individualized attention and instruction they require -- and feel powerless to improve matters.

All this suggests to us that the schools would be in no better position to change during a voucher demonstration. And we think it very unrealistic, and not a little unfair to parents and teachers, to hope that the schools will be able to do in a voucher demonstration what they are not able to do now.

Secondly, the voucher system represents an external change almost as dramatic as the Horseshoe Plan -- participation with private schools in a common assignment system, new enrollment patterns, alternative financial arrangements. The District's experience with the Horseshoe Plan strongly implies that the public schools would have serious difficulty coping with a voucher system.

Decentralization, of course, is becoming a widely discussed approach to the problem of adaptability and innovation in the schools. In fact, our study experience and survey findings lead us to believe that one of the most critical needs in the School District is to decentralize decision-making and resources to staff and parents at the school site. While 62% of the parents in our survey and 54% of the teachers, felt that public schools are not meeting children's real needs, 54% of the parents, nevertheless, felt that most teachers know how to work with children very well. Moreover, 74% of the teachers and 66% of the parents believed that the School Board should give individual schools more freedom to develop their own educational programs. This we interpret as a rather pointed indicator that parents and teachers are dissatisfied with the centralized management and administration of the public system -- some common criticisms

are inaccessibility, reluctance to provide information, and indifference to school site concerns -- and want the opportunity and the resources to manage the schools on a site basis. For example, even though 54% of the parents we surveyed felt that most teachers know how to work with children very well, 55% also felt that teachers don't involve parents enough in solving children's education problems.

		Parents	Teachers
Public schools are not meeting children's real needs	Yes	62.4	53.7
	No	23.4	36.1
Most teachers know how to work with children very well	Yes	53.9	NA
	No	30.5	NA
Many teachers don't involve parents enough in solving children's educational problems	Yes	54.6	48.9
	No	30.3	42.2
The School Board should allow teachers and parents in each school more freedom to set their own educational program	Yes	66.1	73.6
	No	15.8	16.4

Recently the School District has taken some steps toward decentralization. Zone Councils have been established, and zone administrators appointed. Hiring, too, is becoming less centralized. But the trend toward decentralization is barely underway. For example, from the point of view of one downtown administrator, a former principal, "Many principals just don't realize how much room they have to move. They can do just about anything they like as long as it doesn't affect finances or personnel -- and even there they don't take advantage of all their options." On the other hand, field staff tend to have a different perspective. For instance, a principal involved in developing a nongraded program commented, "There was a summer workshop, but we had a long way to go after the workshop left off. I don't know how much time we put in before we were ready to move, and we still don't have the money or the people to do it right. But I guess we were lucky to get the support we did."

In theory the voucher plan speaks to this need by advocating increased financial, personnel, and instructional autonomy for individual schools. However, the voucher proposal implicitly assumes that guidelines and procedures for decentralization can readily be developed, and the schools will readily assume and fulfill their new responsibilities, supported as needed by central office administrators and resource personnel. We cannot agree. School districts do not successfully decentralize decision-making to the level of the school simply by "cutting the strings." They decentralize by working out effective relationships -- communication, information, responsibility, resources, training, technical and administrative support -- between staff and parents in the schools and personnel in the central or local administrative offices. This suggests to us that it would be highly premature for the School District to embark upon a voucher system before working out a badly needed approach to decentralization.

"Alternative" public schools, we might add, simply represent one of the more advanced forms of decentralization. In our survey we found strong support for the concept: 40% of the teachers, and 35% of the parents, expressed interest in organizing new schools. However, the School District has had limited experience with alternative schools in the elementary grades. Few proposals have been generated by staff and parent groups, much less reviewed and approved by the central office and the School Board. The pool of alternative school interests and talents has not yet been organized and put to use.

In theory the voucher plan speaks to this need by providing the financial means for teacher/parent groups to start alternative public schools. We would like to point out again, however, that school districts do not successfully develop genuine educational alternatives simply by soliciting and funding proposals. Alternative school concepts are disseminated, possibilities are explored and evaluated, management, staff and parents are prepared for undertaking a new educational venture, paths of communication and responsibility are defined so that school staff and parents are enabled both to innovate and to draw upon support

from management and other groups engaged in new ventures.[2] This suggests to us, again, that it would be ill-timed and inefficient for the School District to implement a voucher system before developing an approach to publicizing, evaluating, organizing, and implementing alternative public school ventures.

We conclude that the strategy of competition among schools is largely irrelevant to the improvement of education in San Francisco, in that it does not concern the process of change in the schools. While the voucher plan does address two important School District needs -- decentralization, and alternative public schools -- we judge that it would be ill-timed for the District to enter a voucher system without extensive preparation in these areas.

C. The Role of Parents in the Schools

The voucher plan proposes two mechanisms for giving parents a stronger voice in the public schools -- one explicit, the other implicit. The explicit strategy, criticized previously, is to compel public schools to compete for students. There is also an implicit assumption that parents would tend to involve themselves more in the schools during a voucher demonstration, and that this too will promote responsiveness and change.

We agree with the proponents of the voucher plan that the role of parents in the schools is a very important question, certainly in San Francisco, where 55% of the parents in our survey and 45% of the teachers feel that many teachers don't involve parents enough in solving children's educational problems (See Table 8). It is also a very complex question. What are the rights and

[2]For example, prior to the award of a $3.6 million Experimental Schools grant from the Office of Education, the Berkeley Unified School District had developed an effective formal and informal alternative schools research, development, and communications network, and had actually sponsored ten alternative public schools. Consequently, when new proposals were invited, some two hundred were submitted, of which fourteen were rather quickly realized. Other school districts developing alternative public schools under the Experimental Schools Program are Minneapolis and the Franklin Pierce District in Tacoma, Washington.

TABLE 8

A COMPARISON OF PARENTS' AND TEACHERS' ATTITUDES TOWARD PARENT INVOLVEMENT

		Parents	Teachers
Parents are well informed about the programs in their child's school	Yes	40.4	33.1
	No	48.8	55.4
Many teachers don't involve parents enough in solving children's education problems	Yes	54.6	48.9
	No	30.3	42.2
Parents have the ability to make sound decisions about the educational programs in their child's school	Yes	38.9	29.3
	No	29.7	43.9
Parents should have a greater voice in setting the educational programs in their child's school	Yes	65.8	45.1
	No	17.7	30.6

obligations of parents in the schools? To explain their child to his teachers? To visit the school and the classroom? To be entitled to any and all information about the school's educational program? To evaluate the teachers? To hold teachers and principals accountable for their performance? To participate in hiring and budgeting, and in reshaping curricula, teaching styles, and classroom environments?

At the present time many schools in San Francisco have no answers to these questions. There are no clear, consistent, and observed School District policies concerning the role of parents in the schools or what might be done to define their role. The schools regularly send newsletters and hold parent/teacher conferences, of course, and in theory welcome parents to visit. The District sponsors advisory parent bodies such as the Citizen's Advisory Committee and the Zone Councils, and observes federal guidelines for parent participation in such programs as Title I and Emergency School Assistance. A number of schools actively involve parents and community groups in evaluation and planning. But in general the role of parents in the schools has not yet been fully explored, decided and accepted either by the educators or by the parents. We suspect that even the most active of San Francisco parents would tend to agree with Ellen Lurie, training director for United Bronx Parents:

> "My friends and I often feel as if we're running around in circles. We go to so many meetings, testify at so many hearings; we write hundreds of letters, make thousands of phone calls; we see one politician after another; demonstrate and picket and sit-in; we negotiate and compromise and bargain. And no matter what we do, the schools remain terribly bad.[3]"

It is clear that many San Francisco parents want to play a more active and helpful role in their children's education. In our survey, for example, 66% of the parents felt that parents should have a greater voice in setting the educational

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[3]Ellen Lurie, How to Change the Schools, Random House, New York, 1970, Pg. 3.

programs in their child's school. What has been preventing them? The most fundamental problem would seem to be that parents don't feel prepared to participate in their children's schools: only 40% of the parents we surveyed felt that they were well informed about the programs in their child's school, and only 39% felt that they were able to make sound decisions about the educational programs in their child's school.

Teachers as well as parents seem to perceive this state of affairs as a loss to elementary education. The teachers we surveyed, for example, demonstrated considerable interest in greater parent involvement, although typically taking a more cautious view of parents' intentions and capabilities. (See Table 8).

A sample of comments from teachers responding to our survey seems to illustrate well the range of teacher opinions on parent involvement, ranging from caution to outright pessimism.

- I have found parents very willing to support any effort to help their children, especially when they see success.
- Parents can be well informed by mutual educational exchanges with teachers and vice versa.
- Parents aren't always given the opportunity
- Working parents do not always have the time or the energy
- Many parents won't be involved
- If they ask or read the letters sent home
- I think parents have had the option all along but don't use it effectively
- Inadequate and deprived parents are the problem
- Too many parents don't care! They just make big noises
- I am a parent presently working on my elementary teaching credential at S. F. State and can see how hopelessly ignorant most parents are of their children's educational needs

The survey findings corroborate our study experience: that parents and teachers both feel that more parent involvement is needed in the schools, while holding somewhat differing views on how much parents can and ought to

contribute, and that even the parents themselves feel they lack the information and the ability to do all they might for their children. It is important to note, too, that parent attitudes toward parent involvement differ considerably among ethnic groups. The White parents whose children have been most "satisfactorily" educated by the system tend to want a stronger voice in the schools than do the minority parents whose children have been less effectively served. This suggests that a voucher system would not necessarily lead to greater relative parent involvement among the very groups OEO is most interested in helping, as indicated by Table 9.

In summary, our observations and findings lead us to question seriously the validity of a major assumption in the voucher plan: that parents and teachers, motivated by participation in voucher schools, will develop a more effective relationship. The motivation for greater parent involvement is clearly present among the District's parents and educators, but the mechanisms for realizing a cooperative parent/teacher relationship seem sorely lacking. We think it unrealistic to assume that the needed mechanisms could be developed any more readily in a voucher system than in the present system. We therefore conclude that it would be ill-timed for the School District to sponsor a voucher demonstration without prior efforts to define and institutionalize roles for parents in the schools.

What might be done? Since both parents and teachers perceive parents' lack of information to be a critical barrier, in our judgment the first step should be a parent information and education program aimed at familiarizing parents with the purposes and nature of the educational programs in their children's schools. We estimate that the process would require at least a year or possibly longer and could certainly not be effectively accomplished as hurried preparation for a voucher demonstration. The voucher plan asks that parents select their child's school from among a variety of candidates. But our survey findings demonstrate that most parents feel not only that they would be unable to select their child's school, but also that they are ill-informed about the educational programs in their child's present school.

TABLE 9

PARENT ATTITUDES ON ACCESSIBILITY TO INFORMATION AND PARENT INVOLVEMENT

	Responses	Spanish Speaking	Other White	Black	Asian	Other Non-White	Total Parents	%
Parents are able to make sound decisions about school programs	Yes	52.2	43.2	42.5	60.1	58.3	48.7	%
	No	26.5	33.9	33.2	22.0	25.2	29.7	%
Parents are well informed on programs in their schools	Yes	47.0	27.3	47.6	37.0	67.8	40.1	%
	No	37.5	62.4*	44.0	49.9	22.6	48.8	%
Parents are involved by teachers in solving their childrens educational problems	Yes	30.8	26.1	28.9	26.0	53.9	30.3	%
	No	46.3	59.7	62.6	55.7	28.7	54.6	%
School Board has provided enough freedom in program planning to parents and teachers	Yes	14.0	16.2	22.0	11.6	13.0	15.8	%
	No	63.2	66.1	59.3	71.6	72.1	66.1	%

*45% of all White parents responding to this question felt strongly about their lack of program information

The next step would be to enable parents and teachers cooperatively to develop a variety of roles for parents -- explaining their child and his needs, evaluating curricula, participating in planning new programs and allocating staff and financial resources -- and for teachers in their dealings with parents -- explaining a child's performance, explaining the curriculum, inviting and responding to parents' criticisms, working with parents to develop new programs. It is obviously neither necessary nor desirable for all parents and all teachers and principals to approach parent involvement in the same manner. But the minimum role for parents would seem to be a legitimate sense of familiarity with the educational process in their children's schools.

D. Compensatory Education

The voucher plan proposes to improve the education of "disadvantaged" children by supplementing their vouchers. In theory this will encourage the schools to admit them, and give the schools the resources needed to provide extra educational services for these children. We submit that the strategy of compensatory vouchers is unrealistic and lacking in relevance, for the following reasons.

To begin with, the use of compensatory vouchers is based in part on OEO's expectation that the voucher admissions system would be a combination of selection by schools and selection by lottery. The extra payments are intended to "bribe" schools, especially private schools, to recruit and admit poor students. However, we have concluded that an admissions system which allows schools to select some portion of their students is not feasible for San Francisco, because of the difficulties of meeting the racial balance standard. Hence there would be little need to offer public or private schools incentives to admit poor students.

It might be argued that compensatory vouchers could be justified on the grounds that the more affluent private schools in San Francisco charge tuition in excess of School District per pupil expenditures, and would thus be financially unable to participate in a voucher system without compensatory

vouchers. But since we expect participation in a voucher demonstration by the more affluent private schools to be very limited, we do not find this a compelling argument in favor of compensatory vouchers.

The "extra resources" argument is more relevant and persuasive, but nonetheless unconvincing. In the first place, the School District spends an uncommonly high amount per pupil relative to other California school districts. This suggests that a voucher based on District per pupil expenditures would provide sufficient resources for almost any school to offer a quality education.

Secondly, the national experience with compensatory education programs such as Title I suggests that extra resources in themselves -- generally used to hire more teachers and aides -- make little difference in the achievement of disadvantaged children. Title I evaluations typically indicate that less than 1/4 of the children demonstrate improved reading skills, while the rest continue to fall behind at about the usual rate. The School District's Title I experience seems to approximate the national pattern.[4]

It is proposed that the voucher approach to compensatory education will prove to be more successful because the funds will go directly to individual schools rather than to the School District for distribution to individual schools. We consider this possible but not likely, based on the national and local compensatory education experience. The use of compensatory funds begs the question, too, of whether it is possible to serve "disadvantaged" children at a cost approximating normal per pupil expenditures. This is a vital issue both nationally and locally, and one which the School District is in a better financial position to attack than most school districts.

In sum, we recommend against the use of compensatory vouchers on the grounds that they are unnecessary to the workings of any feasible voucher admissions system in San Francisco, not likely to produce educational results, and avoid the question of whether a quality education can be provided to poor children at reasonable cost. But we recognize the need to develop new approaches to compensatory education, and are mindful that

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[4]According to the School District's 1969-70 Title I evaluation, the most recently available.

federal funds are rarely unwelcome in a local school district, and so we recommend that any compensatory monies provided for a voucher demonstration be distributed through an EVA special projects fund on a competitive and performance-oriented basis. Schools interested in providing extra services for educationally deprived children would submit proposals to the EVA, identifying the children's needs, specifying how they intended to use the funds, setting performance goals for their projects, and presenting an evaluation design. Renewed funding would depend in part on the evaluated success of the projects.

This too is an imperfect solution in that it bureaucratizes compensatory education to some extent -- the very process it was hoped could be avoided by sending compensatory funds directly to schools. But at least this approach should help to prevent compensatory funds from being spent unnecessarily or ineffectively, and identify and encourage successful projects.

VIII. LEGAL ISSUES

The legal questions which must be met before adoption of the OEO or a parallel voucher model could be recommended are of three kinds: Constitutional, legislative and one concerned with judicial discretion and the scope and spirit of the desegregation order which affects public elementary education in San Francisco.

It must be observed that the Constitutional issues which the voucher proposal has raised, the Church-State question and discrimination in education facilities in general, have been known to present potential barriers to implementation of the voucher plan for some time. But neither the Weigel Order, implementation of the Horseshoe Plan, nor the failure of the California Legislature to enact enabling legislation to permit the District to engage in the demonstration had occurred at the time the District's original proposal for the OEO feasibility grant was made. These latter, and significant, events were for the most part unanticipated. In addition, several important Supreme Court cases have been decided concerning the Church-State issues since publication of the Jencks Report, upon which the OEO voucher model is based.

We have prepared a detailed legal analysis and discussion of the operative case law which controls many of the questions presented by the voucher plan which appears in Appendix E, The Voucher Demonstration, Selected Legal Issues. In the following sections we will summarize the results of this research, indicate the likely outcomes and make appropriate recommendations. We are mindful of the hazards involved in attempting to predict what the courts or the legislature might do in any given circumstance. We have attempted, however, to be realistic, to assess the trends followed by the courts and to estimate the political forces at work in Sacramento. Knowing that all public endeavor involves risk and that important civil and educational rights and relationships are subject to test, we have tried to outline a course which is prudent, yet responsive to the principal goals sought to be advanced by the voucher plan.

A. Constitutional Questions

An important threshold question is whether parochial schools will be Constitutionally permitted to participate in any voucher plan. Parochial schools in San Francisco now provide educational services to one child out of five and have a waiting list of children seeking admittance to their schools. They represent a significant nonpublic school alternative for public school pupils and their parents.

Under tests developed by the U.S. Supreme Court in evaluating the permissibility of utilizing public funds for parochial school educational purposes, four independent questions are asked: (1) does the proposal reflect a secular purpose, (2) does the primary effect of the proposal advance of inhibit religion, (3) does the administration of the proposal foster an excessive government entanglement with religion, and (4) does implementation of the proposal inhibit the free exercise of religion? If the proposed use of funds fails to satisfy any of these tests, the use is Constitutionally prohibited. [1]

Under the voucher plan parents with vouchers who prefer to apply to parochial schools would submit their voucher to the school upon admission and the school, in turn, would seek reimbursement for the secular costs of education from the EVA. It is clear that reimbursement for the costs associated directly with religious activities would not be permitted. Apart from the entire question of whether a meaningful distinction can be made between a value-oriented instructional program on the one hand and proscribed religious activities (prayer, worship, doctrinal teaching, etc.) on the other, a distinction the courts have not come to grips with, the recent cases have struck

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[1] The California Constitution, Art. 13, Section 24, appears to add even greater specificity to the Supreme Court tests in prohibiting the use of public funds "in aid of any religious sect" or "to support or sustain any school . . . controlled by any religious creed, church or sectarian denomination." (Emphasis added)

down schemes calling for the "purchase" of clearly secular educational services from parochial schools. The use of public funds has been held unconstitutional in cases where parochial school teachers' salaries, textbooks and non-religious instructional materials were paid for in full or supplemented by the state on the theory that the administration of the programs resulted in excessive Church-State entanglement.

Several alternative proposals to avoid the entanglement problem in the voucher context have been carefully examined, including the Reduced Cost, Actual Cost and Secular Value Voucher. Each of these proposed approaches are directed towards limiting the reimbursable amount payable to the parochial schools to those costs which are inherently secular. We have concluded that each of these variants are Constitutionally deficient, especially when employed in a comprehensive, all-parochial school participation experiment. Under the best of circumstances each of these proposals requires -- and the OEO model implicitly anticipates -- a degree of governmental surveillance and monitoring activities which, without more, creates a classic "entanglement" problem recently voided by the Supreme Court.

In addition to the financial audit or surrogate testing functions which the EVA must necessarily conduct, the voucher agency is charged with responsibilities in the areas of information dissimination, evaluation, school certification, and enforcement of an open admissions policy and enrollment practices to ensure non-discrimination. Unless parochial schools are to be granted an exemption from these latter EVA regulatory and administrative functions, the degree of entanglement becomes clearly excessive.[2]

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[2]In addition to the regulatory and enforcement functions of the EVA, these additional activities are suggested by the OEO: collection of relevant information from the participating schools, development of a parent counselling campaign, maintenance of the admissions lottery, development and operation of a transportation system, planning for the evaluation needs of OEO, maintaining a teacher personnel file. The OEO Regulated Voucher System: Selected Issues, Pg. 9

Some cases provide authority for indirect support of parochial school education and wider parent choice by sanctioning certain legislative schemes where financial benefits are conferred upon certain classes of individuals (i.e., parents and their children) or institutions because of their status. In the school cases this has often been justified under the "child benefit" theory. Typical mechanisms used or proposed in this field are the tax exemption and the tax credit.[3] Unlike the voucher, however, these approaches do not call into existence nor require the maintenance of bureaucratic relationships between the government and parochial school institutions.[4]

It is our considered judgment that inclusion of the parochial schools in any voucher plan akin to the OEO model is subject to considerable Constitutional doubt. We therefore recommend against their participation in the voucher demonstration proposed by OEO for San Francisco.

School cases considered by the courts have held that government action involving suspect classifications, i.e., race and wealth, or touching upon fundamental interests like education will receive active and critical review under the Equal Protection Clause of the Fourteenth Amendment. The voucher plan has as one of its primary goals the equalization of educational opportunity and, hence, serves the Constitutional purpose. It is equally clear that participating schools under the voucher plan and the School Board, which hosts the demonstration, must observe a non-discriminatory policy in matters concerning race. In practical effect this principle requires, and the OEO acknowledges, that voucher schools may not discriminate on the basis of race any more than the public schools.

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[3]The President's Panel on Nonpublic Education has already indicated in a preliminary report that a tax credit plan would have the least Constitutional risks. In Minnesota, a tax credit plan is already operating which permits parents of private school children to deduct their educational expenses from the amount they pay in State income taxes. The American Civil Liberties Union and Americans United for Separation of Church and State have filed suit to challenge the Minnesota plan.

[4]Neither does the passage of a recent California statute permitting nonpublic school children use of state-supplied textbooks appear to present a case of excessive entanglement.

Whether voucher schools must comply with the specific terms of the Weigel Order is not strictly a Constitutional question and is dealt with below. The Weigel Order is Constitutionally significant in that it sanctions a particular plan for achievement of integration in the public schools which might be viewed as a standard from which voucher schools may not deviate, absent some compelling reason. Under the authorities cited and discussed in Appendix E we believe that in all likelihood the appellate courts will uphold the Weigel Order as an appropriate application of the Equal Protection Clause of the Constitution. Our findings and recommendations are predicated upon the assumption that the Weigel Order, or some modification thereof, will be sustained in the future.

The application of alternate admission procedures conceived to reduce or guard against segregation -- i.e., the OEO 50% lottery notion -- may be Constitutionally acceptable in the abstract, but is somewhat beside the point as far as San Francisco is concerned. The Horseshoe standard, even though not yet fully achieved and still embattled, is clearly a higher one than that proposed in the OEO voucher model.

We now turn to a consideration of the impact of the Weigel Order on the proposed voucher plan.

B. The Weigel Order

As indicated above, those who designed the OEO voucher model did not give consideration to the operational and legal problems associated with staging a demonstration in a school district which was operating under a court desegregation order. It was their intention and design, however, that the voucher plan would decrease segregation where this condition existed. In segregated school districts, adoption of the regulated voucher model admission procedures would tend to increase integration and we find this feature of the model to be of potential utility for those districts still searching for a solution to this problem.

In San Francisco, however, the Horseshoe Plan prepared by the district and adopted by the court sets a desegregation standard requiring racial balance which is something not specifically called for, nor probable, under the alternate admissions proposal in the OEO model. Adoption of the rule that minorities be admitted in each school in proportion to the number of minority applicants or establishment of a random admissions procedure for at least half the places in an oversubscribed school would tend to reduce the level of racial balance now required in San Francisco schools. The public school boycott, establishment of the "freedom schools," neighborhood school enrollment patterns in the parochial and, to a lesser extent, in the private school sectors, all indicate that this would be a likely occurence. Only 31.5% of the public school parents responding to our survey would even consider sending their children to school outside their neighborhood, even if they had a choice among different schools.

As observed in the Center report on vouchers,

> "If a voucher plan produced more segregation than the present system, public officials might find it difficult to justify the plan (in court), at least in the absence of reasonable administrative controls on discrimination by participating independent schools."[5]

The proposed voucher demonstration would be carefully scrutinized by the court. The order requires that,

> ". . . a plan should . . . insure accomplishment of at least the following objectives. . . :
> . . . Avoidance of the use of tracking systems or other educational techniques or innovations without provision for safeguards against racial segregation as a consequence."
>
> ". . . the court. . . retains jurisdiction to take such further action at any time as it may deem necessary to provide for compliance."

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[5]Education Vouchers, Center for the Study of Public Policy, December 1970, Pg. 270.

The effect of the standing Weigel Order upon the proposed demonstration, then, is to limit the range of choices and preferences available to parents in somewhat the same way that parental choice in the selection of public schools (through choice of neighborhood) is subordinated to the objectives of Horseshoe. Even under the Weigel Order, however, some diversity in the kinds of schools available to parents and children would be achieved under the proposed demonstration by the inclusion of nonpublic schools in the pool of schools serving students. These schools would be subject to the prevailing district plan to bring about racial balance in the schools. "Partial" voucher schools would be expected to admit minorities until they achieved compliance with these standards.

It is possible to amend the Horseshoe Plan or to seek modification of the Weigel Order. The district may have to seek an adjustment of the current plan in any event based upon the experience of this year under Horseshoe. Many public schools are still racially imbalanced. Civil rights groups may also move the court to reconsider the standards adopted in the Horseshoe Plan at some future date. If any modification of the admissions and assignment formula is undertaken, consideration might be given to alternate admissions procedures which restore some degree of parent preference in the selection of schools, and which also serves the goal of desegregation. It is not our understanding that civil rights groups and the minority communities in San Francisco favor abolition of parental choice or oppose educational diversity, but that they seek an end to discriminatory, and unequal, school policy and practice.

For the present, the Weigel Order embraces the principle that the most effective remedy to ensure against discrimination and unequal treatment is to require adherence to a standard based upon racial quotas for each school. Achievement of racial integration based upon a quota system effectively eliminates parent school preference, even for those parents who do not object to racial integration.[6]

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[6]The most frequently encountered manifestation of this problem is expressed by those parents who live in an integrated neighborhood, prefer to send their children to the neighborhood school, but whose children have been assigned to a distant school to help meet the racial quota.

The OEO voucher plan speaks primarily to parent school preference and provides for integration (though not necessarily racial balance) through various admissions schemes.

To achieve both racial balance and provide some limited measure of parent school preference would require an admissions procedure which combined an open admission and acceptance lottery to fill school places in the same ratio as each racial group is represented in the school population (each school could accept up to but no more than 34% white applicants, for example) with a random assignment procedure to fill unapplied for spaces in the school from the remaining student pool.[7] While somewhat cumbersome, this procedure favors those families who live in or would move into integrated neighborhoods and who would presumably prefer (and apply to) neighborhood schools. It also acts as an incentive for parents to select schools which are "successfully" integrated or express a strong commitment and a demonstrated capacity to become so. For children in sharply segregated neighborhoods this procedure would be no more convenient, and perhaps less convenient, than the present Horseshoe Plan, again assuming a strong preference for neighborhood schools is present. How well parent school preference would be served under this or other admissions and assignment plans could only be forecast after further analysis of parent attitudes. One thing is clear, however, the racial balance requirement imposes a substantial limitation upon parent school selection options which are the heart of the voucher concept.

We are of the view that the district should not embark upon a demonstration involving the private sector schools which might include an admissions procedure which departs from the racial balance standard of the

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[7] If there were ten schools in the system each with ten places and the black population was 20% of the total, each school could accept 2 black students. After one or more rounds of the exercise of parent preference in school selection, by lottery among applicants, schools 1-7 have admitted the proper number of black students, but are oversubscribed. The remaining three schools are filled by a random assignment from the pool of six students who did not gain admittance to the schools of their choice.

Weigel Order. While a cogent argument might be made that adoption of something other than the strictest desegregation standard is justified to serve the purposes of research, we feel that the politics of school integration in San Francisco, dominated as it is by distrust and not a little demagoguery, could not support a dual standard even on an experimental basis at this time. If any modification of the Horseshoe Plan is undertaken, consideration might be given to alternate admissions and assignment procedures which reflect some degree of parent preference, but which continue to reduce segregation.[8]

We conclude that the Weigel Order, though posing no legal bar to a demonstration of the voucher plan, effectively limits the range of parent choice since participating schools would be subject to court review if not the Order's specific terms. The Horseshoe Plan and the court order could be modified to permit a voucher experiment employing an alternate admissions and assignment procedure, although this course is not recommended. In reviewing current Horseshoe Plan assignment procedures, the district should give serious consideration to expanding the scope of parent school selection opportunities together with desegregation strategies.

C. State Enabling Legislation

Under the California Education Code, a demonstration of the voucher plan by any school district requires state legislative authorization. Enabling legislation is needed to permit public money to be spent in nonpublic schools and if public school regulations are to be waived.

In 1969, the Senate Education Committee defeated, by one vote, a voucher bill that would have applied to economically disadvantaged areas and called for tuition vouchers of $1,000. In the following year, a subcommittee

[8]In the brief time they had to consider the matter the Citizens Advisory Council was unable to give full consideration to alternative assignment plans. The desirability of re-evaluating Horseshoe assignment procedures seems clear since the court's standard has not yet been met.

of the Education Committee of the Assembly considered, but did not approve a bill providing for vouchers on a statewide basis. The bill died in subcommittee.

Early in 1971, a comprehensive bill[9] predicated upon the OEO voucher model was introduced by Assemblyman Ryan and hearings held in both houses of the Legislature. Though it passed the Assembly, the bill was voted down in the Senate Finance Committee in November and did not reach the Senate Floor during the 1971 session. A similar bill has been introduced in the 1972 session by Senator Harmer (R. Glendale).

At the hearings held in the '71 session, most of the principal voucher advocates and opponents had an opportunity to testify, including the Center's Director David Cohen, representatives of the ACLU, the teachers' organizations, the parochial schools, the NAACP, and others interested in the voucher proposal. The composition of the State Legislature, indeed of the Committees which considered the voucher question previously, has not changed significantly. While voucher proponents assert that the votes are there, we are not so sure considering the extensive hearings that have been held on the matter to date.

Some observations made by Assemblyman Willie Brown of San Francisco during the Assembly Committee on Education Hearings on the voucher system are representative of one line of argument which played a significant part in the outcome of the voucher legislation in the last session:

> "I do not believe that it is yet appropriate to experiment with the establishment of competitive educational institutions to our present public schools. Competition would require that the nonpublic schools and the public schools start at some relatively equal basis. To achieve this I would prefer that we first:

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[9]The bill was entitled, The Elementary Demonstration Scholarship Act of 1971.

(1) Provide full and adequate funding for our public schools in both the cities and the suburbs,

(2) Provide for maximum decentralization and community participation in the management of the existing public schools,

(3) Allow for more innovation and experimentation with curriculum, pupil & teacher placement in the existing schools.

Once this has been achieved, I would be willing to try a voucher system, if it would still be felt necessary to do so, so long, however, as arrangements for capital construction funds would also be made in order that truly new and additional educational establishments would be generated."

Should the enabling legislation again receive full legislative consideration and the District remains interested in exploring a voucher demonstration, we recommend that the Board take appropriate steps to seek a measure that does not contain a specific demonstration design. There is little justification for writing into the Education Code the particular features of a demonstration or experimental project in general principle and, in the case of vouchers, this is particularly true given the complex of untested hypotheses upon which the OEO model is grounded. Wide latitudes should be afforded local school districts in generating their own experimental models to test various educational alternatives.

The State Legislature's failure to pass the authorizing legislation poses a complete bar to the district's power to mount a voucher demonstration like that proposed by the OEO. The district might, however, test several of the voucher concepts without specific legislative authorization. Some proposed tests are described more fully below.

IX. ALTERNATIVE APPROACHES TO VOUCHER GOALS

We have found that the voucher plan addresses some important educational concerns -- public/private schooling venturing, new schools development, the role of parents in the schools -- which seem not inconsistent with the policies and programs of the San Francisco Unified School District. It would be unfortunate, in our opinion, if the questions raised by consideration of the voucher proposal remain unexplored. We have therefore recommended (See Section III) that the School Board establish some new policy directions. They are that the School Board:

- examine alternate elementary school admissions procedures
- institute a pilot parent training and orientation program
- undertake the development of voluntary cooperative arrangements between public and nonpublic schools
- develop educational alternatives in the elementary schools

Here we suggest some actions which might be taken to set these policies in motion. But first, we would like to present alternate specifications for the "most feasible" voucher model for San Francisco. We have found that the voucher plan does not promise to improve education in San Francisco, and we therefore recommend against a large-scale voucher demonstration at this time. But in the interests of assisting the School Board to come to a decision on the matter, we have outlined the principal features of a voucher model which seems to us to be the most responsive to local needs and conditions, within the bounds set by the OEO guidelines. The specifications appear below, followed by a discussion of the alternative approaches we favor for achieving voucher goals.

A. Specifications for the "Most Feasible" Voucher Model Schools

Only public schools and non-sectarian private schools may participate. Public schools must be located within the demonstration area. "Partial voucher" private schools may be located outside the demonstration area.

Children

All K-6 children living in the demonstration area are eligible to receive vouchers, except for children requiring special education. Since the cost of educating these children tends to be higher, we recommend that the District continue to provide special educational services according to the current system.

Demonstration Area

We recommend the following criteria for demonstration area selection, roughly in order of importance:

- An area with an ethnic and economic mix highly representative of the poor and ethnic minorities.
- An area tending toward a higher level of integration relative to the rest of the City.
- An area with substantial support for the voucher plan among parents and educators.
- An area with community organizations interested in starting new schools, and in supporting the demonstration through such activities as school evaluations and parent information.
- An area in which public school staff would be interested in starting alternative public schools.
- An area with sufficient physical capacity in the public schools to accommodate moderate shifts in enrollment
- A contiguous area with about 6000 students

Our experience suggests that no area in San Francisco meets all the selection criteria. The most likely candidate would appear to be an area focussing on the Mission District.

Application and Admissions Procedures

Students already enrolled in participating public and private schools should have the right to remain in their schools. Applicants to schools in which their siblings are enrolled should also be granted first preference. All

other applicants would be assigned according to the standard of racial balance -- as defined by racial quotas of 15% plus or minus, or whatever quotas are then in effect in the District -- as follows.

Underapplied schools must accept all applicants insofar as this is consistent with racial balance. Overapplied schools must fill their places by a lottery among the applicants, respecting racial quotas.

Public and private schools entering the demonstration with racially balanced student bodies will be required to preserve racial balance. Private schools, especially partial voucher schools entering the demonstration with racially imbalanced student bodies would be assigned students exclusively from the ethnic groups needed to achieve racial balance. A new school would be required to recruit a racially balanced student body.

The difficulties of reconciling parent preference with racial balance suggest that schools should not be allowed to select any portion of their applicants, and that parents should list several choices -- as many as six, say -- in preference order to permit the operation of what would unfortunately have to be a rather complicated computerized assignment system.

While transfers should be discouraged, the EVA should allow a limited number of transfers if the evidence demonstrates that the school and the student are indeed badly matched. Since the size of the elementary school age population in San Francisco is decreasing, we do not think it necessary for the EVA to reserve places in the schools for new arrivals.

Vouchers

A voucher should be equal to the average annual cost of an elementary education in the public schools, $1082 in 1970-71 less federal subventions, defined as:

$$\frac{\text{Total Current Expense of Elementary Education}}{\text{Elementary School ADA}} = \text{Value of Voucher}$$

School Finances

We recommend against regulating private school expenditures on the grounds that this would be inappropriate to the purposes of the experiment and unacceptable to private school proprietors. Similarly, private schools should be permitted and encouraged to maintain their present efforts to raise funds from non-tuition sources.

It also seems desirable to give public schools a reasonable amount of financial autonomy, which might be accomplished by "billing" them for a core of central office services -- such as maintenance and personnel services -- and permitting discretionary use of the remainder of their funds. Federal funds such as Title I and ESAP should be distributed in the customary manner.

Personnel

We recommend that private schools be permited to continue to exercise their own personnel policies during a demonstration. As for public schools, the District's current procedures for new hires, tenure, and transfers seem adequate to any certificated personnel growth or relocation needs resulting from a voucher demonstration. The District should also negotiate in advance with OEO a teacher contract buy-up agreement, in the event that public school enrollment drops sharply. We also recommend that the School District, the unions, and the private schools work out guidelines governing the movement of personnel between the public and private schools, as it would seem desirable to allow public school teachers to transfer to private schools for a time without loss of benefits, and vice versa.

Public School Facilities

Moderate enrollment shifts among the public schools can be expected during a voucher demonstration. We recommend that when practicable the District try to accommodate these through portable classrooms and other means. In the unlikely event that a public school facility is drastically under-

applied, we recommend that the District consider turning over the facility to an alternative public school group or leasing it to a private school group.

The EVA

We recommend that the EVA be an independent agency, composed of an elected Board and appointed staff, representative of and responsible to the residents of the demonstration area. The major functions of the EVA are discussed below.

Determining Schools' Eligibility

The EVA will be responsible for recognizing schools as eligible to accept and cash vouchers. At present there are few State Department of Education regulations pertaining to instruction in private schools, and it seems desirable either to continue this policy or to coordinate with the State Department in using the demonstration as a pilot test of alternative statewide regulation policies. Purely local regulation seems unnecessary and undesirable. We therefore recommend that the EVA recognize all schools willing to follow the rules of the system, of which the most important are:

- full disclosure of all information, including accounts, to the EVA and to parents
- no tuition beyond the value of the voucher
- compliance with the EVA's policy of admission to preserve or achieve racial balance

We see no reason to exclude profit-making schools from participating, although their exclusion would probably make little difference in the educational market.

Parent Information

To help parents inform themselves about available schools and make a wise selection, at a minimum the EVA should provide all voucher parents with a standard package of written information presenting:

- how the voucher system operates
- how parents can participate in the voucher system
- information about schools
- how to interpret and compare the information about schools
- how to get more information

The EVA should make further information available on request to parents, work out school visit policies in cooperation with the schools, and offer personal counseling to parents -- especially those with literacy problems. This suggests that the EVA's parent information program should be run both in a central office and in neighborhood offices throughout the demonstration area. Distribution through neighborhood offices would also seem an appropriate method of giving vouchers to parents, as this would ensure that all voucher parents receive information materials about schools and orientation in their use. Community organizations should also be encouraged to inform and counsel parents.

In order to operate a successful parent information program, the EVA should design and enforce reporting requirements for schools, with whatever checks and audits are felt necessary to insure adequate and accurate reporting. The EVA will probably want the schools to provide quite detailed information about the specifics of their programs and their approach to education, only parts of which would be used in the standard package for parents.

New Schools Assistance

Assistance to new schools and to expanding private schools will be one of the EVA's most important functions. We strongly recommend that OEO generously fund the EVA to make capital grants and loans, and to conduct organizational, training and technical assistance programs for new school groups.

Regulation of School Policies and Programs

This is an important point. We recommend minimal regulation of private schools in order to encourage their participation and serve the purposes of the experiment. We would also recommend that the public schools be granted considerable autonomy -- and appropriate support -- with respect to staffing and curriculum. Diversity, not uniformity is to be encouraged.

Transportation

The EVA will be responsible for providing convenient and safe transportation for all students attending school beyond walking distance. Bus routing would necessarily be more complicated than at present, probably requiring extensive use of minibuses rather than larger vehicles.

The Application/Admissions Process

The EVA will be responsible for processing parents' school applications and assigning students to schools in a manner which respects parent preferences to the extent permitted by the racial balance standard.

Phasing Into A Demonstration

We recommend that the demonstration include grades K-3 in the first year. This would permit new schools to organize, and allow the School Board a period of observation before deciding whether to extend the demonstration to the intermediate schools. If the decision is favorable, the demonstration should include grades 4-6 the following year and continue at least two more years, to allow an entire student cohort to experience grades K-3 in voucher schools.

Monitoring and Evaluation

The OEO will doubtless want to conduct a major evaluation, and has already let out three contracts for evaluation designs. However, the EVA should sponsor whatever additional monitoring and evaluation efforts are needed, and require appropriate observations and documentation from schools as a condition for their participation. The EVA should report frequently to the School Board on the progress of the demonstration, as it will be the School Board's decision annually whether to continue the demonstration.

Preparing for a Demonstration

We urge a planning period of at least a year, supported by OEO. The planning year would be devoted to the following activities, roughly in order of importance:

- informing parents about the educational process generally and the programs in their children's schools, as preparation for evaluating and choosing schools
- decentralizing and supporting decision-making and parent involvement at the school site, enabling teachers and parents cooperatively to reshape their schools
- organizing, training, and coordinating public and private new school groups
- designing a school selection informational program for parents and obtaining from established and developing schools
- promoting expansion in the established private school sector
- electing an EVA Board and appointing EVA staff
- developing a voucher model and gearing up for implementation of the voucher system

Legislation

A voucher demonstration of any sort which involves private schools is impossible without enabling state legislation. We would recommend that if the School Board chooses to sponsor a demonstration it should attempt through its lobbyist or other representatives to work for a bill of broader scope than SB 120. SB 120 in effect authorizes only a demonstration of the OEO voucher model, leaving little to the discretion of a local school district.

Estimated Demonstration Budget

Planning Year Costs

Parent Education and School Site Planning	$300,000
New Schools Assistance	150,000
Establishing EVA	70,000
Developing a voucher model and gearing up for implementation of the voucher system	200,000
Total Planning Cost Fed. Share	$720,000

First Year Demonstration Costs

Vouchers (6000 x $1100.)	$6,600,000
Expansion and new schools capital grants and loans	120,000
EVA Administration	300,000
Parent information and counseling	200,000
Transportation	200,000
Monitoring and Evaluation	100,000
Capital and personnel contingency fund for the District	(500,000)
Total Demo Cost	$7,520,000
School District Share:	($5.7 million)
Fed. Share:	($1.8 million)
Total Cost	$8,240,000

B. Alternative Strategies

We have recommended that the School Board not sponsor a voucher demonstration, but establish new policy directions to respond to the question raised by consideration of the voucher proposal. Here we would like to suggest some actions which might be taken to implement these policies.

1. Alternate Elementary School Admission Procedures

The voucher proposal suggests that parents be allowed to apply to the public school of their choice. An underapplied school must accept all applicants; an overapplied school must admit students in proportion to applicants' ethnicity. We doubt very much whether the courts would find this admissions system compatible with the Weigel Order. However, the voucher plan also raises the possibility -- briefly discussed in Education Vouchers -- of a voucher admissions system based on ethnic quotas. That is, parents' school preferences would be honored, racial balance permitting. It is obvious from the political reaction to the Horseshoe Plan that the majority of parents prefer their children to attend school in the neighborhood. However, some parents seem less opposed to non-neighborhood schools than others, and our survey corroborates this: a racially balanced 32% of the parents responding indicated that if they had their choice, they would consider sending their child to a school outside the neighborhood. This at least raises the possibility that racial balance is not entirely incompatible with parents' school preferences.

How might such an assignment system work? Parents would apply to several schools in preference order. Their preferences would be honored within the ethnic quotas set by the Horseshoe Plan. If not all parents from a particular ethnic group could be admitted to a school, students would be selected by lottery. Students unable to attend their first choice school would be assigned to their second choice school, ethnic quotas permitting, and so on.

This type of selection and assignment system would certainly have disadvantages. Since most parents prefer their neighborhoods, and not all neighborhoods are racially balanced, many parents would still be assigned to schools in other neighborhoods. The pattern of assignments resulting from such a system would probably lose what little "neighborhoodness" was achieved by the

Horseshoe Plan, in which each school at least has a walk zone, and several contiguous busing zones. The busing required to implement the parent choice plan would be more complicated and quite likely more expensive than the busing in the Horseshoe Plan.

However, the "voucher" approach to desegregation does seem to have the potential for increasing parents' satisfaction with school assignments; a lottery method of desegregating the junior high schools is currently under consideration in the School District. But it is clear that even a modest increase in the level of parents' satisfaction with elementary school assignments would be welcomed by parents, teachers, and administrators. Three tasks which might be undertaken are: to survey parents to determine which schools they prefer and why, and whether information about non-neighborhood schools would affect their preferences; to work out the consequences of parents' preferences by means of an application/admissions simulation model; to find out the communities' reactions to this approach to desegregation.

2. Parent Training and Orientation

In our study we found that both parents and teachers feel that parents ought to involve themselves more in the schools, but that both teachers and parents feel keenly parents' lack of information, ability, and opportunities to make a contribution at the school site. Meeting this need would seem to be one of the highest priorities in the School District. We therefore recommend that the School Board take immediate action to better equip parents to evaluate and contribute to the educational process in their children's schools, by establishing a parent training and orientation program on a pilot basis for possible replication throughout the school system. An appropriate approach might be to invite competitive proposals from the school sites and fund several of them.

The purpose of an experimental parent-training and orientation program would be to determine what sort of information and experience is of most interest and value to parents, how it might be most effectively presented

to parents, and how parents might put that knowledge to use in dealing with teachers and administrators. The program should be developed jointly by parents, teachers, and community groups. Some of the areas which might be explored are:

- Development of better parent/teacher conference procedures. This might include the preparation of a Conference Guide for joint use by parents and teachers, explaining the purpose of conferences, the responsibilities of the parent and the teacher, and the criteria by which children are evaluated.
- Parent/teacher workshops to explore children's problems and the role of parents in the schools without dealing in individual cases.
- Development of workshops and materials training parents in how to make school visits.
- Development of procedures to be used by parents in understanding and evaluating the performance of school staff.
- Development of inservice training programs for teachers, focussing on how to assess parents' concerns and provide them with useful advice and information.

3. Cooperative Arrangements with Nonpublic Schools

The nonpublic school sector in San Francisco is large and diverse, representing a pool of valuable educational resources. But as yet there has been very little contact between the public system and the nonpublic sector, let alone coordination of educational resources, even though it would seem in the School District's educational and economic interests to do so. We therefore recommend that the School Board take steps to develop voluntary cooperative arrangements between public and nonpublic schools.

What sorts of arrangements might be undertaken? We submit that some possibilities are:

- regular or occasional shared use of material, facilities and services
- exchange of instructional specialists
- inservice workshops

- development of experimental programs
- education outside the classroom
- evaluation of educational programs

Realization of cooperative ventures would probably be a relatively long-term enterprise, given the lack of precedents. An appropriate first step would therefore seem to be organization of an exploratory task force on the subject. For example, the central office has already begun to regularize communication with the Catholic school system. We suggest that the task force consist of representatives of the School District, the public school professional associations, the parochial schools, and local private schools of both the traditional and alternative variety. Given the timeliness of public/private ventures, it would also be desirable to include a representative of the State Department of Education.

4. Educational Alternatives in the Elementary Schools

We found that elementary teachers and parents in San Francisco are interested in alternative forms of education. However, few public educational alternatives have been achieved as yet in the elementary grades, and proposals tend to move rather slowly through School District channels of review and approval. We therefore recommend that the School Board assign a high priority to the development of educational options in the public elementary schools, both in the interests of responding to children's diverse educational needs and of supporting professional development at the school site.

To implement this policy one of the first steps should be to identify and organize the pool of resources for alternative public elementary schools, perhaps by publicizing the District's commitment and encouraging proposals from all interested parties, and assigning responsibility for coordinating the effort to one or more District staff. We further recommend that the nonpublic school sector be involved in the alternative schools support program, for two reasons.

In the first place, San Francisco's more innovative private schools represent a very valuable resource. We are confident that many of those who have been involved in developing and operating alternative schools in the nonpublic sector would be willing to contribute to similar efforts in the public system on a short-term or regular basis. And it would seem entirely logical and appropriate for the School District to draw upon nonpublic resources to improve public education. In fact, part of the experience of the Office of Education Experimental Schools Program has been "annexation" or support of schools which were for the most part privately managed, in effect turning them into quasi-public schools.

The process of alternative schools development can evolve in the other direction as well: schools founded and operated by the public system becoming more "private" as public management and funds are gradually replaced by private initiative and financial support from tuition or foundation grants. This system for bringing all available resources to bear on alternative schools seems appropriate to the diverse educational needs of San Francisco children, responsive to the interests of public school staff and parents, and well within the capabilities of the School District and the nonpublic sector.

5. Funding

We have tried to suggest courses of action involving reasonable costs to the School District. We are mindful of the School District's budget situation, however, and would like to point out that federal or state financial and technical assistance for these ventures is a possibility. Exploration of alternative elementary school admissions procedures would seem to fall within the scope of ESAP guidelines. Cooperative arrangements between public and nonpublic schools should be of interest to the State Department of Education, assuming that the Superintendent of Public Instruction's recent investigation of private schools in California reflected more than passing concern; support for the venture might also be found in the Senate and Assembly Education and Finance Committees.

A number of foundations that make regular investments in education have recently funded a number of efforts aimed at bringing the role and future of nonpublic schools into better relief. Foundation funding, for example, financed Kraushaar's monumental American Nonpublic Schools, which was a valuable source of ideas for assisting in the analysis of some of the questions in this study.

The Office of Education has funded a parents' organization to develop a school evaluation handbook for parents, and so might consider supporting a pilot parent training and orientation program -- particularly since, to our knowledge, no urban school system in the country has attempted to develop a comprehensive system for parent information. Alternative schools development, too, is certainly a priority area for the Office of Education.

We would also recommend that OEO be approached for funding. Performance contracting has been abandoned, and the political realities of federal agency program funding suggest that the prospects for realization of a voucher demonstration are slender indeed. OEO has invested $1 million in grants to private contractors and local school districts, and reserved a $30 million program appropriation for two consecutive years -- and failed to find a sponsor for a voucher demonstration. We submit that parent training and orientation programs cooperatively run by educators and parents, and the development of public/private educational alternatives, would be a more realistic and effective role for OEO to play in education.

X. APPENDICES

HISTORY OF THE VOUCHER STUDY STEERING COMMITTEE

The San Francisco Unified School District, as a condition of the OEO grant, was to establish a feasibility advisory board, broadly representative of the community to assist the consultant in developing recommendations to the Board of Education. The grantee was also to invite the Governor and the State Superintendent of Public Instruction to send one representative each to this advisory board.

To meet the above grant conditions, a group of individuals who had previously assisted the Superintendent's Office in selecting the consultant firm organized a meeting, together with the consultant, on August 9, 1971 at the School District offices to consider the following matters:

(1) the composition of the voucher study steering committee
(2) adoption of final criteria for steering committee memberships
(3) the acceptance of nominations to the steering committee from those present

In addition, this group adopted the following preliminary criteria for expanding the membership of the advisory board:

(1) selections shall result from the reality of community involvement,
(2) be composed of 36 members, two of whom would be non-voting representatives of the Governor's Office and the State Superintendent of Public Instruction's Office,
(3) consist of a majority of parents,
(4) reflect the racial composition of the San Francisco public schools, which is approximately:

14% Latino
35% Other White
28% Black
15% Chinese
4% Filipino
2% Japanese
2% Other Non-White

This breakdown was to provide for a total membership as follows:

5 Latino
11 Other White
9 Black
5 Chinese
2 Filipino
2 Other Non-White, one of whom is Japanese and one is American Indian

(5) include at least one student,

(6) not include more than two teachers,

(7) not include more than one administrator,

(8) include at least two active members of the Consuitant Selection Committee

(9) a sincere interest in the voucher concept; while at the same time open to evidence critical of the concept,

(10) a commitment to reporting both the benefits and costs of a voucher experiment in San Francisco, to both the community at large and the Steering Committee in particular,

(11) a sensitivity to concerns of any type related to mounting a voucher experiment,

(12) substantive knowledge of San Francisco and San Francisco's Unified School District, including ethnic and racial composition, community concerns, etc.

(13) sufficient flexibility to spend a minimum of 15 days working on Steering Committee business, although much of this time will be required on weekends or in the evening.

At the August 9 meeting it was decided that nominations would be based on the racial or ethnic background of the persons nominated, and that nominations would be made by "ethnic caucuses within the Committee." An upward adjustment of one member was made for the Latino Community. Twenty-one nominations were made, and were to be closed by August 17, for Board of Education approval on August 19. However, this timetable was not adhered to. The nominees held a series of meetings, refining their purposes and expanding their numbers. Finally, at the September 16 meeting of the Board of Education, a list of 34 names was submitted for Board approval.

The Board of Education approved the list of names, recommended that there be a process for "selection of alternate members to ensure wide public participation in the conduct of the study," and added an amendment by Commissioner Crowley that:

> "any persons on the School District payroll be relegated to an advisory or consultant status, subject to the regulations of the U.S. Office of Economic Opportunity."

thus removing voting power from five of the previously selected Committee members.

The initial meeting of the now official Committee was called by Abt Associates for September 22 at the School District.

The main topic of discussion was Commissioner Crowley's amendment stated above. The Committee voted:

> "to go back to the Board for clarification and to rescind Mr. Crowley's amendment."

The Committee adjourned until September 28.

The September 28 meeting was spent in a discussion of the implications of the Crowley Amendment and some members viewed its passage as indicative of Board overreaching and bad faith. The only order of business taken up was to decide to send three spokesmen to the next Board of Education meeting, October 7, to argue against the Crowley Amendment. Other business was postponed until this matter could be clarified since it was now unclear as to which members could and could not vote. The Committee was adjourned until October 13.

At the October 7 Board of Education meeting, some Committee members spoke for the Crowley Amendment and others spoke against it. The Board of Education took no action to rescind the Amendment.

The Voucher Committee meeting of the 13th discussed the implications of their "defeat" at the Board of Education meeting. A pattern emerged at this time indicating that a significant number of the Committee's members objected to the consultant firm role in calling and developing the agenda for the meetings. This was to continue for the balance of the life of the Committee. Although the firm brought to the meetings written and visual materials and attempted to make oral presentations, the Committee felt it had to solve its own internal difficulties

before it could seriously begin to discuss the substantive matters of the voucher. For example, how the Committee would deal with the Crowley Amendment remained an issue, and there was the question of whether the consultants or the Committee itself would draw up the Committee work schedule and issues statement. Each Committee caucus continued to have difficulty in keeping its membership at the allowed maximum. The Committee requested the the consultants not attend that next meeting scheduled for October 20.

At the October 20 meeting, members reviewed the alternate sets of by-laws prepared by the consultant firm and decided it was not necessary to adopt any at that time. It was also decided that there was no need to establish an agenda for that or the following meeting. The following four motions were passed:

(1) the steering committee would be headed by two Co-Chairmen

(2) all caucuses would be brought up to full membership quotas

(3) the committee would begin to discuss the voucher, and study objectives and problems

(4) all meetings would be public and advertised through the media.

The Committee adjourned until October 27, at the Dudley Stone School.

At the October 27 meeting the consultant firm, as a result of between meeting lobbying with members, suggested adoption of a set of by-laws so that, at subsequent meetings, the Committee could get down to the business at hand -- the study of vouchers. However, after more than three hours of debate the Committee was able to agree on only a name, a statement of purpose and the means for authorizing and filling vacancies on the Committee, and adjourned until November 3.

At the November 3 meeting the Committee began with a motion to "throw out the by-laws." A compromise was reached after lengthy discussion to retain the by-laws but to call them "groundrules" or "guidelines." The motion passed and additional "groundrules" were discussed; however, a few key procedural points, necessary for Committee operations, were neither voted up nor down. By a narrow margin the group voted anew to operate with a rotating Chairman, to be selected alphabetically at each successive meeting. At future meetings, due in part to the group's failure to first agree upon and abide by any rules to

govern their affairs, disputes continued and meetings often degenerated into shouting matches. The next meeting would be held at the Marshall School on November 10.

The thrust of the November 10 meeting was discussion of ways in which to conduct future meetings in order to involve the public at large and whether or not various aspects of the voucher plan could best be studied in sub-committees or by the group as a whole. Committees were formed to deal with public information and agenda matters. However, only one substantive committee was established -- one dealing with target areas. The consultant firm was instructed to meet with the sub-committees. This meeting was adjourned until November 18 at the Burnett School.

Between November 10 and 18 each sub-committee met and developed reports. Unfortunately, these reports were never to be heard by the larger group.

The November 18 meeting at the Burnett School in Hunters Point was publicized by leaflets and news bulletins urging the public at large to attend. Few did. Even fewer Committee members attended, for the meeting was held at the same time as a Board of Education meeting which was to take up minority hiring issues among School District staff. The voucher meeting centered upon conflict over racial attitudes within the Committee, and the divisions that surfaced demonstrated a lack of sensitivity on the part of some Committee members about the importance of ethnic political representation in community affairs generally. The issue was whether the white caucus could appoint a black member to the Committee. The Committee was split on this issue in much the same way it was on the issue of whether or not to bar the consultants from playing an active role in directing Committee business and on the role of the Committee caucuses.

The next meeting was called for November 29 at the Sarah B. Cooper School. The consultant firm had initiated a number of informal meetings with Committee members and School District staff in an attempt to demonstrate the importance and necessity of getting the Committee to undertake study business. At the November 29 meeting the consultants again attempted to make an oral presentation

to the Committee on various types of possible voucher plans and on materials dealing with the Alum Rock and Seattle feasibility studies which had previously been requested by and distributed to the Committee. Again, this effort by the consultants failed. It was at this meeting, also, that some members voted to spend the remaining Committee budget funds in order to attend a voucher conference in New York. Over the objections of other members and the consultant firm, five Committee members attended the New York conference.

What proved to be the final meeting of the Steering Committee was held on Wednesday, December 15.

Little was accomplished at this meeting. In fact, it never proceeded beyond the roll call. Members of the black caucus met during a recess and many decided not to rejoin the meeting. There being no quorum present, the balance of the evening was spent in general discussion of topics other than vouchers.

At the Board of Education meeting on December 16, 1971, Commissioner Nichols' motion to disband the dissention-ridden Steering Committee was passed by the Board by a vote of six to one.

In order to present some sort of picture as to the make-up of the Voucher Study Steering Committee, a brief survey of the members was conducted prior to the first official Committee meeting. From that survey, and from the subsequent three month working relationship with the members, the following facts were determined.

-- Employment of Committee members was quite evenly divided. About one-half of them were professionals (attorneys, teachers, administrators, etc.) and one-half worked in various non-professional capacities.

-- Residency was also evenly divided, with nearly one-half of the members living in lower income neighborhoods such as the Mission, Chinatown, Western Addition, Hunters Point and Potrero Hill, and the other one-half residing in the more affluent areas of San Francisco: Richmond, Sunset, Ingleside, Marina, Lakeside.

-- Almost everyone who served on the Committee was a parent. The few who did not themselves have children often worked closely with youngsters in such capacities as teaching, counseling and community work.

-- The members belonged to a wide range of community organizations and interests in San Francisco, although did not represent these organizations on the Committee.

-- When polled by the consultants, Committee members appeared to feel that the implementation of a voucher plan in San Francisco could yield the following benefits:

(1) an improvement in the present quality of education

(2) family choice in education

(3) equal opportunity for all children, regardless of income

-- However, many members perceived in the voucher idea possible dangers as well:

(1) might result in racial/economic discrimination

(2) could pull communities apart

(3) could become merely a financing vehicle rather than an educational vehicle for change

(4) might destroy the public school system

(5) might create more bureaucracy than it would do away with.

The final, most frequently talked about concern of the Committee members was the danger that the voucher plan, if implemented, might lead to resegregation in the public schools. This feeling was expressed with particular force by Black Committee members and their alternates.

The initial survey showed Committee members to be moderately to well informed about the voucher concept in general. They seemed at that time, to show an interest in and knowledge of the issue at hand. From that, it might be assumed that the Voucher Study Steering Committee should have accomplished a great deal and produced some recommendations as to the feasibility of a voucher demonstration for San Francisco. Unfortunately, it did neither of those things.

Analysis of the Committee History

It may appear somewhat inappropriate for the consultant to include an analysis of the Committee's inability to function in a constructive manner when the consultant was frequently the target of some of the grievances and

frustration expressed by Committee members. But we believe that such an analysis is useful since the Committee's behavior, at least to some extent, bears upon the feasibility question and sheds some light upon the context in which this study was carried out.

First, it should be pointed out that neither the original consultant selection committee nor its successor Voucher Study Steering Committee were selected in a manner consistent with the principles commonly associated with community participation. The criteria adopted to guide the Committee in enlarging its membership were for the most part ignored by the de facto caucus leadership. The notion of bringing to the Committee new members who could and would represent established community-based organizations was rejected by the Committee. The organizing members of what was to become the Voucher Study Steering Committee, when they did add to their number through a process of self-selection, tended to add individual acquaintances who could be relied upon to vote with nominating members; new members were not selected with a view towards expanding the parent, community or neighborhood base the Committee occasionally declared it sought. The Latino group constituted the only notable exception to this general pattern of non-representativeness that characterized the selection process. They at least polled some community organizations in the Spanish-speaking neighborhoods for the purpose of generating representatives for Committee membership.

The result was that most of the fifteen or so active members of the Committee were not accountable to any constituency outside the group for the positions they took during the meetings -- no matter how obstructionist or unreasoned those positions tended to be.

Some of the Committee members were acquainted with one another prior to their appointment to the Committee and, unfortunately, brought with them to the voucher study group unresolved personal conflicts and animosities stemming from their prior associations. The relatively closed selection procedure which was to be followed by the group reinforced the tendency of these members to resurrect old battles and to restate positions of interests to none but the antagonists. In

this atmosphere of hostility and pettiness, unfounded claims of conspiratorial intent attributed to other members, factions within the Committee, the consultants, the Center and to occasional guests were given credence and acted upon by the group.

It is our judgment, however, that the wrangling and dissension which characterized Committee meetings was rooted in something larger than the personal chemistry of Committee members. A major contributing factor to Committee turbulence undoubtedly grew out of the bitter experience of some of the members with the poverty program in general and with the Board's handling of school policy as it affected minorities and parent activists in particular. The divergent views of members on the economic and racial integration issues associated with the introduction of the Horseshoe Plan also tended to overshadow rather than illuminate the discussions concerning vouchers.

As above noted, passage of the Crowley Amendment, disenfranchising some Committee members, was frequently cited as evidence of Board opposition to lay and school staff decision-making power. Notwithstanding the District's previous integration initiatives, it took a ten years of active civil rights organization pressure and a court battle to end segregation in the City's poorest neighborhoods, a decision which was creating a hostile reaction in the citywide November elections. The Superintendent's proposals to promote minorities within the school system were under heavy attach from Board members and organized professional groups. The original OEO proposal for a voucher advisory group was heavily weighted with school administrators and professional educators at the expense of wider representation by parents, neighborhood activits, and the poor. The District procurement procedure for selecting the consultant firm to conduct this study was opened to "consumer" participation only after voucher advocates intervened and demanded that they participate in the consultant selection process. In summary, while some of the distrust and suspicion expressed about the intentions of the national government, the School District, and their presumed agents -- the Center and, to a lesser extent, the consultant firm -- was exaggerated, some of the concerns articulated by Committee members were not easily met with simple assurances of good faith, high purpose, and an examination of the record.

What might have been, under other circumstances, a fair measure of healthy, well-developed opposition to insensitive government process had degenerated into an almost total lack of faith in OEO and School District competence and commitment to resolve the educational problems of the minorities, the poor, and activist parents. Ironically, it was to these very groups that voucher proponents believed their plan held strong appeal.

To a greater or lesser extent, each of the Committee members exhibited the considerable strain and frustration associated with trying to operate in an environment of institutional inflexibility and political reaction. The behavioral and attitudinal set of responses which Committee members brought with them to their several scheduled encounters did not permit them to engage in a thoughtful appraisal of an admittedly fragile and somewhat controversial subject. The volatility of the Committee and the frequent clashes which developed over seemingly minor matters reflected a deep-seated discontent which was also mirrored in the responses to our parent and teacher survey discussed elsewhere.

PRIVATE SCHOOL QUESTIONNAIRE

To the Respondent:

Please answer the questions in the manner which appears most reasonable to you. If no data is available or if not available in the form indicated, try to answer the substance of the question or give your best estimate, where estimates are given, please indicate. Unless otherwise indicated, questions refer to the current (1971-1972) school year.

1. When was your school established? (year) _____

2. What grades or, if ungraded, ages does your school serve?

   _____ GRADES SERVED _____ AGES SERVED

3. What is your current student enrollment by grade/ages served?

   pre-school _____ (enrollment) age or 5 _____

   age or K _____ age or 6 _____

   age or 1 _____ age or 7 _____

   age or 2 _____ age or 8 _____

   age or 3 _____

   age or 4 _____ Total enroll. _____

4. Does your school serve a special student population?

   i.e. Handicapped _____ Gifted _____ Other _____.

5. Do you anticipate or do you now have plans for increasing or decreasing total enrollment during the next five years?

   _____

   _____

6. What is the pupil capacity of your present education plant(s)?

   _____.

7. Can you expand your present pupil capacity? _____ (yes) _____ (no). By how many pupils? _____.

8. What is your best estimate of the cost of adding new classroom space (accommodating 25 students)? $_____.

9. What is the average class size at your school? _____.

10. What is the teacher-student ratio at your school? _____.

11. Do you currently have a student admission waiting list? _____ (yes) _____ (no)

If so, how many students are currently seeking admission to your school? _____. At entry grade? _____. Other grades? _____.

12. What is the ethnic breakdown of the student body?

Spanish surname	_____%
Black	_____%
Chinese	_____%
Japanese	_____%
Filipino	_____%
American Indian	_____%
Other White	_____%

13. Approximately what percentage of the student body walk to school _____%. Does your school provide transportation for the students? _____ (yes) _____ (no).

14. What is the total annual income of your school from all sources? $_____.

15. What is your annual income from tuition and other student fees? $_____.

16. Please identify other school income by appropriate source.

Endowment fund	$ or %	_____
Foundation	$ or %	_____
Government funds or grants	$ or %	_____
School sponsored fund-raising events	$ or %	_____
Other	$ or %	_____

17. What percentage of students receive a full scholarship? _____%

18. What percentage of students receive a partial scholarship? _____%

19. What is the annual per pupil tuition at your school? $_____.

20. If tuition varies by grade, please indicate:

pre-school	$_____ tuition	age or 5	$_____
age or K	$_____	age or 6	$_____
age of 1	$_____	age or 7	$_____
age or 2	$_____	age or 8	$_____
age or 3	$_____	age	
age or 4	$_____		

20. If your school provides a family or sibling tuition rate scheme, please briefly state the elements of the rate scheme or return any prepared statement with the questionnaire.

_____

_____

21. What is your best estimate of the current annual per pupil educational cost at your school? $_____ _____

22. What is your forecast of per pupil educational costs for your program for the following years?

1972-73	$_____
1973-74	$_____
1974-75	$_____
1975-76	$_____
1976-77	$_____

23. If educational costs will increase, how do you plan to meet these costs? (Check one) Increase tutition? _____. Drive to enlarge endowment fund? _____. Greater reliance on foundation support? _____. Other _____. A combination of these _____.

24. What is the size of your paid teaching staff? Full-time (FT) _____.

Part-time (PT) _____.

25. How many teachers currently on your staff have:

	FT	PT
Less than B.A. or B.S. degree		
B.S. or B.A.		
B.S. or B.A. + 15 semester hours		
M.A.		
M.A. + 15 semester hours		
Ph. D		
Total Staff		

26. What is the range of annual teacher compensation at your school?

lowest salary $_____ high salary $_____

median salary $_____ average salary $_____

27. What is the ethnic breakdown of the teaching staff?

Spanish surname _____

Black _____

Chinese _____

Japanese _____

Filipino _____

American Indian _____

Other White _____

Total Staff _____

28. Based upon recent experience, what is the average teacher turnover rate at your school? _____%

29. Are teachers at your school generally engaged:

on a renewable one year contract _____

on contract for more than one year _____

without an employment contract _____

30. In general, in filling teacher positions at your school and in accordance with your employment standards, are suitable teachers, (Check one)

Hard to find _____ Not so hard to find _____ Plentiful _____.

31. List the number of full-time non-teaching positions currently billed at your school.

administrators	_____
clerical	_____
education resource (curriculum design, program development, etc.)	_____
other support personnel	_____
Total non-teaching positions	_____

32. In general, do students enrolled in your school come substantially from a particular section of the City or are pupils drawn from all over the City?

Neighborhoods served _____.

City wide student body _____.

33. Does your school have any cooperative or shared procurement, teaching, or resource utilization arrangements with any other schools, agencies, or institutions? Please describe.

_____

_____

_____

34. Please attach any special reports or descriptive materials concerning your school which might be useful to us in the light of the questions appearing above. Your cooperation will assist us in developing an informed report for the School District and for those concerned with the learning systems serving San Francisco students.

35. Comments.

_____

_____

Person to contact for further information. _____

COMMUNITY ORGANIZATION QUESTIONNAIRE

1. Does your organization now, or has it ever, sponsored or operated a school or training program

   _____Yes _____No

2. If yes, please describe. _____

   _____

   _____

   _____

3. Would your organization be interested in sponsoring or operating a school paid for by a voucher system as outlined in the enclosure.

   _____Yes _____No _____Possibly, if more information were available.

4. What would be your major aims in operating your own school

   _____ To provide a specialized program of some kind

   _____ To have a school accountable to parents

   _____ Other (Describe briefly) _____

   _____

   _____

5. If yes, to #3 above, would your organization require and accept technical help paid for by the government in developing a plan for opening such a school

   _____Yes _____No

6. Do you know the names of any other groups or individuals who might be interested in the voucher program for starting new schools.

   _____ Yes _____No

APPENDIX C

If yes:

NAME	ADDRESS	PHONE

Comments: _____

_____

_____

_____

_____

Please send us more information about the voucher system. _____

SAMPLING PROCEDURES

In the course of the voucher feasibility study three separate surveys were conducted: a survey of nonpublic schools (Appendix B), community organizations (Appendix C), and a public school parent and staff survey.

1. Nonpublic School Survey

Information on San Francisco Catholic schools was collected via personal staff interviews with members of the Archdiocese of San Francisco, Department of Education. We are indebted to Father Pierre DuMaine, Assistant Superintendent of Catholic Schools, and Sister M. Bernadette, Director of Data & Analysis, for their valuable and considered assistance.

In collecting information concerning other sectors of the nonpublic school universe a mail-out survey to 107 independent schools, parochial and private, was conducted, supplemented by personal interviews with nonpublic school heads whom we felt could not be overlooked.

The nonpublic universe of interest for the study was those schools that served elementary school age children aged 5-12 years or grades K-6. This universe is experiencing a period of ferment and growth and, together with other factors, is difficult to identify with precision. We received a total of 36 responses to our survey instrument after a follow-up mail-out to non-respondents and a follow-up telephone call. After an evaluation of these responses, 26 usable questionnaires matched the characteristics of the study universe. We then consulted with School District staff, reviewed the directories and manuals which contained information about the nonpublic school sector, and concluded that in San Francisco there are approximately 65 nonpublic, non-sectarian schools serving about 6000 children.

2. Community Organization Survey

One major study hypothesis related to the capacity and interest of community organizations to start new schools. In order to collect information on this question, 200 San Francisco community organizations currently

operating schools or training programs, or involved in any other way with education and youth programs, were surveyed. This universe was selected from a directory of "Community Organizations in San Francisco", published by the San Francisco Consortium, 1971. The response rate was low: only 14 survey questionnaires were returned. Findings are analyzed in the report.

3. Parent and Staff Surveys

The most significant survey work undertaken in connection with the voucher feasibility study was a random sample survey of public school parents and field staff. Nonpublic school parents were excluded on the theory that they had already expressed their preference for nonpublic school education and would presumably favor, at least to some extent, the introduction of a program whose principal feature was a tuition voucher. Time, resources, and the scope of the study did not permit the researchers to survey this population in any event.

Of the 4208 parents surveyed we received 1045 usable responses or a response rate of 24.8%. Among staff from a survey sample of 585 we received 254 usable responses or a response rate of 43.4%. In view of the fact that the proposed voucher demonstration had not received extensive coverage in any of the media, we felt the response rates for both groups were satisfactory. As indicated below in Tables A, B, and C, the responses bore a reasonable relationship to the size and distribution of the categories and subgroups (ethnicity, zone, bused, not bused, etc.) we thought had significance for the study.

Sample Selection. The survey of parental and school staff attitudes made use of School District master files as the source of both sampling universes. The objectives of the sampling procedures were to obtain a cross section reasonably reflective of the characteristics of elementary school students (via their parents), and to reach a sample of the staff in the same system. We were concerned about a central office staff bias and wanted to solicit the attitudes of people at school sites, and for that reason we excluded administrators who

TABLE A

SURVEY CHARACTERISTICS AND RESPONSES

	Elem. Sch. Pop.* (N=48,252)	Survey Sample (N=4208)	Respondents (N=1045)	Response Rate (24.8%)
I. School Zones				
1	15.8%	13.8%	13.8%	24.8
2	9.3	9.3	7.5	20.0
3	17.8	23.1	21.8	23.4
4	16.3	15.7	18.0	28.4
5	20.4	20.6	18.9	22.8
6	10.1	8.0	9.1	28.3
7	10.2	9.4	10.1	28.7
II. Ethnic Groups				
Spanish Surname	14.1	15.6	13.0	20.7
Other White	34.2	28.8	38.9	33.6
Black	29.0	31.0	20.5	16.4
Asian	15.2	15.6	16.6	26.4
Other Non White	7.5	8.9	11.0	30.8
III. Bused/Not Bused				
Bused	N/A	54.5	53.7	24.5
Not Bused	N/A	45.5	46.3	25.2

*Taken From May 1971 Horseshoe Plan Forecasting Documents

TABLE B

RESPONDENT CHARACTERISTICS BY INCOME

I. Annual Income

less than $4,000	16.1
$4,000 - 5,999	15.5
$6,000 - 7,999	15.7
$8,000 - 9,999	14.2
$10,000 - 11,999	9.7
$12,000 - 13,999	8.0
$14,000 - 15,999	6.1
$16,000 - 17,999	3.7
$18,000 - 19,999	2.9
$20,000 or more	7.9

II. Income Level

Poor	31.1
Low Income	15.7
Middle Income	38.1
High	14.7

TABLE C

STAFF QUESTIONNAIRE

	Survey Sample N=585	Respondents N=254	Response Rates (overall 43.4%)
Teachers	86.3%	89.4%	45.0%
Principals & Vice Principals	13.7	10.6	33.8

Length of Service w/District		Principals	Teachers
1 - 3 yrs.	N/A	3.7%	3.7%
4 - 7 yrs.	N/A	7.4	34.0
8 - 11 yrs.	N/A	7.4	39.8
12 - 15 yrs.	N/A	3.7	11.0
16 or more	N/A	70.3	11.5

held positions at the central office. We were assisted by the School District's data processing staff in extracting the sample from the files, as follows:

- 4200 parents of currently enrolled students in grades K-6;
- 500 teachers (occupation code 50) in grades K-6;
- all elementary school principals and vice-principals with occupation codes 38 and 44.

The sampling technique selected after discussions with District technical staff was a physical-sequential search of master files organized in an indexed-sequential format. This resulted in a simple random sample of the universe. The output of the sample selection process was a pair of magnetic computer tape files which we then utilized for generation of mailing labels, data control procedures, and cross-tabulations of responses.

Questionnaire Design. Two similar questionnaires were designed for parents and staff. Copies of the survey instrument and accompanying instructional material appear below. It will be noted that questions 9, 17, 18, and 19 on the Parent Questionnaire have no counterpart in the Staff Questionnaire and Staff question 15 (relating to teaching experience) was not included in the Parent Questionnaire. In all other respects, the survey instruments for parents and teachers were identical.

Questions in both instruments were designed to elicit respondent attitudes about the public schools, teacher and parent roles, responsibilities, needs, and capabilities as they related to making decisions about schools and education; expression of parent and teacher preferences among school sectors and selected behavior related to the respondent's willingness and interest in participating in a voucher demonstration. Socio-economic data was provided on the data tapes provided by the District, except for family income and family size which were items on the parent questionnaire.

Questionnaires were accompanied by a two page brochure containing a summary of the principal voucher issues and instructions for preparation of the survey instrument. All parent mail-out pieces were also prepared in Spanish.

Mailing and Data Control Procedures. Address labels and a master control listing were prepared by computer and questionnaires, brochures, and return envelopes were machine inserted for bulk mailing. Prior to sealing, envelopes were coded with sequential numbers to match a control number generated in the printing of the control listing. Responses were checked off on the control listing and duplicate questionnaires were removed from the second mailing files. Returned questionnaires were coded with a record key. After ten days a second duplicate questionnaire was mailed to non-respondents. Confidentiality was preserved by dropping the code number from the computerized tabulation of responses which were required for the purpose of analysis.

Sample and Respondent Characteristics. The objective of the survey procedure was primarily to ensure that the overall results would adequately reflect the diversity present in the universe of elementary school parents and staff and to enable the researchers to make projections on the basis of sub-groups of respondents. As shown in Table A, response rates from all school zones, ensuring geographic distribution, and each of the five ethnic groupings were substantial. Table B indicates that income and family size characteristics of the parent survey respondents were well represented in all principal groups. The group entitled "Poor" was defined in terms of OEO poverty guidelines, which are a function of income and family size. Table C shows that staff responses are spread across the entire range of length of service in the system.

Analysis Procedures. After all data was key punched and edited for internal validity 1045[1] parent responses and 254 staff responses were submitted to analysis procedures. A priority was placed on clear, easily understood tabulations. A preliminary analysis plan was developed in order to guide the process of questionnaire design. This was later refined just prior to the actual process of analyzing the data. The plan contained the following elements:

1. A series of research hypotheses involving sets of questions on both questionnaires whose correspondence or non-correspondence was deemed relevant to study outcomes.
2. A cross-tabulation of all parent responses segregated by whether or not the parents in question had an elementary child who, during the current academic year, is bused.
3. A cross-tabulation of each ethnic group of parent respondents, for all questions.
4. A cross-tabulation of specific combinations of income levels and family size corresponding to "poor," "low," "middle," and "high" economic status levels.
5. A cross-tabulation of parent respondents whose answers on questions 4 and 11 reflected a disposition to seek greater involvement in school policies and programs.
6. Separate cross-tabulations of teachers and principals.

Confidence intervals of 95% were computed on sample questions and revealed fairly small ranges for the parent survey respondents as a whole, and for the principal sub-groups.

The lower response rate of Black parents is not of great concern in terms of survey validity, since the relatively greater consensus of Black respondents on individual questions produces 95% confidence intervals, actually a smaller interval than for some other groups.

---

[1] Fifteen parent responses and six staff responses were rejected because of coding and key punching errors.

A separate analysis of mutilated *forms was* undertaken on the basis of a hypothesis that this response represented the "tip of an iceberg" made up of persons who did not respond because of the necessary compromise of anonymity. In general, the answers from this group revealed a much higher incidence of rather acrimonious disaffection with the school system in general. Somewhat surprisingly, they were less interested in participating in the voucher plan. The degree of negative feelings about the school system in the general parent population might have been somewhat understated, given the existence of this group of dissatisfied persons who had the sophistication to preclude even statistical identification while recording their feelings and other expletives on the questionnaire.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
OFFICE OF SUPERINTENDENT
135 VAN NESS AVENUE
SAN FRANCISCO, CALIFORNIA 94102
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The San Francisco Unified School District is sponsoring a study of the "education voucher" program for San Francisco. The education voucher plan -- which is explained more fully on the next page -- is a means of returning tax money directly to parents in the form of certificates or vouchers to pay for their child's education at the school of their choice.

The School Board has not yet decided for or against the voucher plan. The idea is only under study at this time. The study is being performed by a local research firm, Abt Associates. The research firm is surveying parents and school staff to find out their views on the voucher plan. Please cooperate by reading the enclosure and compieting the questionnaire. Your views wiil help the School Board decide whether to test this program in San Francisco.

Please Read This Before You Answer The Questionnaire

QUESTIONS AND ANSWERS ABOUT THE EDUCATION VOUCHER PLAN

1. WHAT IS A "VOUCHER?"

A voucher is a certificate which can be used to "buy" an education at any elementary (K-6) school. Parents would receive one voucher for each child, and would turn over the voucher to the public, private or parochial school they wanted their child to attend.

2. WHO WILL GET THE VOUCHERS?

The Federal Government's Office of Economic Opportunity (OEO) has said they will pay for a pilot voucher project involving about 10,000-15,000 elementary school children.

3. HOW MUCH WILL A VOUCHER BE WORTH?

A voucher will be worth the average annual cost of educating a child in the San Francisco public schools, around $1000 or so. OEO would also contribute an extra amount, perhaps $300, for children requiring extra educational services.

4. WHAT SCHOOLS WILL BE ELIGIBLE TO CASH VOUCHERS?

Parents may hand over their vouchers to any school they choose -- public, private or parochial. They may also start a new school themselves or with other interested groups. Any school can become a voucher school if it obeys the rules of the voucher system.

5. WHAT ARE THE RULES?

OEO requires that in a voucher demonstration at least four rules must be followed:

(1) No School may discriminate against pupils or staff on the basis of race or income.

(2) Schools must accept the voucher as full payment for a child's education.

(3) Parochial schools will be allowed to participate only if arrangements can be made so as not to violate the California Constitution or the U.S. Constitution.

(4) All Schools must make information available to parents concerning the School's education program.

6. WHO WILL RUN A VOUCHER DEMONSTRATION PROGRAM?

The Program would be administered by an Education Voucher Agency (EVA). The EVA might be associated with the School Board, or it might be a new and independent group chosen from the pilot project area.

7. WHO WILL PAY FOR A VOUCHER PROGRAM? WILL IT RAISE TAXES?

The School District will contribute the money it would normally spend on children in the project area. OEO will pay all other costs, such as vouchers for children now enrolled in private or parochial schools. The voucher plan will not increase taxes.

8. HOW WILL A VOUCHER SYSTEM AFFECT THE PUBLIC SCHOOLS?

Public Schools could participate. They would be competing for students and would probably have more freedom to develop new programs than they do now. Financially, it is unlikely that the School District will do worse than breakeven, even if quite a few parents do leave for privately sponsored schools.

9. HOW WILL A VOUCHER SYSTEM AFFECT STAFF IN THE PUBLIC SCHOOLS?

Teachers and Administrators in a school will have to respond to the concerns of parents if the school is to attract and keep students. Depending on which schools are popular with parents, fewer staff might be needed in some schools and more in others.

10. WHAT MIGHT BE THE ADVANTAGES OF A VOUCHER SYSTEM IN SAN FRANCISCO?

--Parents will be able to apply to any school that they think is best for their child.
--The schools will have to listen more closely to what parents want.
--Real choices among schools might become available.
--Teachers, administrators and parents in a school will be free to develop curricula serving the particular needs of their students.

11. WHAT MIGHT BE THE DISADVANTAGES OF A VOUCHER SYSTEM IN SF?

--A voucher system might lead to resegregation in the elementary schools unless schools are required to recruit and admit applicants according to ethnic quota.
--If the Courts find this Constitutional, public tax money might be used to support schools appealing to special groups.
--Parents might use their voucher privileges to put pressure on public school teachers and administrators in ways not necessarily good for the education of the children.
--Experiments which divert public school funds to private schools might weaken the central role of the public schools in education.

Please Read The Enclosure Before You Answer This Questionnaire

PARENT QUESTIONNAIRE

Respond to each of the statements below by circling your answer. These statements relate to your opinions about a new system of financing and operating schools, the voucher plan. Your name will not be used. Thank You.

SA=Strongly Agree
A=Agree
U=Undecided
D=Disagree
SD=Strongly Disagree

		1	2	3	4	5
1.	Public Schools are not meeting children's real needs....	SA	A	U	D	SD
2.	Most teachers know how to work with children very well.	SA	A	U	D	SD
3.	Parents are well informed about the programs in their child's school.....	SA	A	U	D	SD
4.	Many teachers don't involve parents enough in solving children's educational problems.....	SA	A	U	D	SD
5.	Parents should be able to send their child to any school they want.....	SA	A	U	D	SD
6.	Parents who are dissatisfied with their public schools should be given the means to establish their own schools.....	SA	A	U	D	SD
7.	Parents have the ability to make sound decisions about educational programs in their child's school.....	SA	A	U	**D**	SD
8.	Parents are not well informed enough to select their child's school.....	SA	A	U	D	SD
9.	Many parents would start their own schools if funds were available.....	SA	A	U	D	SD
10.	Public schools all are very much alike.....	SA	A	U	D	SD
11.	Parents should have a greater voice in setting the educational programs in their child's school.....	SA	A	U	D	SD
12.	The education voucher plan would weaken the position of the public school system.....	SA	A	U	D	SD
13.	The School Board should allow teachers and parents in each school more freedom to set their own educational program.....	SA	A	U	D	SD
14.	I would be willing to participate in the education voucher plan.....	SA	A	U	D	SD

* * *

Please respond to each of the questions below by circling your answer.

15. If you had a choice what type of school would you prefer for your child?

1. same public school my child attends now
2. another public school
3. private school
4. parochial school
5. no opinion

16. Would you consider organizing a new school if funds were available?

1. definitely yes
2. probably yes
3. no opinion
4. probably no
5. definitely no

17. If you had your choice of schools, would you consider sending your child to a school outside the neighborhood?

1. definitely yes
2. probably no
3. no opinion
4. probably no
5. definitely no

18. What was your family's total income in 1971?

01.	less than $4000	06.	$12,000-$14,000
02.	$4000-$6000	07.	$14,000-$16,000
03.	$6000-$8000	08.	$16,000-$18,000
04.	$8000-$10,000	09.	$18,000-$20,000
05.	$10,000-$12,000	10.	$20,000 or more

19. How many people were supported on this income?

02 03 04 05 06 07 08 09 10 or more

PLEASE RETURN THE QUESTIONNAIRE IN THE ENVELOPE PROVIDED (No Stamp needed). THANK YOU FOR YOUR HELP.

THE VOUCHER DEMONSTRATION
SELECTED LEGAL ISSUES

OUTLINE

I. Church-State

- A. History and Background

  Review of Cases

- B. Design of the Voucher Demonstration
  - 1. Neutral Funding
    - a. The Theory
    - b. Design of a Neutral Funding Voucher Project
      - (1) Reduced Cost Vouchers
      - (2) Actual Cost Vouchers
      - (3) Secular Value Vouchers
  - 2. Indirect Benefits
    - a. The Theory
    - b. Conclusions

II. Non-Racial Discrimination in Parochial Schools

- A. Discrimination on Religious Grounds
- B. Discrimination on Economic Grounds
- C. Effect on Non-Racial Discrimination

III. Racial Discrimination

- A. The San Francisco Order
- B. Appeal
- C. Effect of the Court Order Upon a Voucher Demonstration
- D. Effect of the Court Order Upon Parochial Schools
- E. Obtaining Judicial Deference
- F. Accommodating the Demonstration to the Court Order

IV. Summary

APPENDIX E

THE VOUCHER DEMONSTRATION
SELECTED LEGAL ISSUES

Several substantial Constitutional issues are presented by the implementation of a demonstration education voucher system such as that contemplated. The specifications of a viable voucher plan must be consistent with the Constitutional dictates concerning these issues in order to ensure OEO funding and to protect the Board of Education against a suit which, if successful, would require abandonment or major overhaul of the demonstration. Unfortunately, as will be discussed, the requirements of some of these areas are far from ambiguous.

I. Church-State Issues

One of the major thrusts of a voucher plan would be to increase the options available to parents in the education of their children. Whether such a plan could include the possibility of the child's attending a parochial school, however, is subject to considerable Constitutional doubt.

A. Background and History of the Church-State Issues

The First Amendment to the United States Constitution declares:

> "Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof . . ."

This amendment is binding not only upon the Federal government but upon the states and state instrumentalities as well. 1/ The EVA, as a creation of the Board of Education under any voucher plan, would likewise be bound by the Constitutional strictures concerning the Church-State relationship.

Several cases have examined the permissibility of providing various types of public aid to religiously affiliated institutions. The controlling cases are discussed below.

Review of the Cases

The case of Bradfield v. Roberts upheld Federal construction grants to a hospital which was staffed and administered by members of the Catholic Church on the theory that the religious faith of the incorporators did not convert the hospital into other than a secular institution. 2/

In Everson v. Board of Education, the high court upheld a state law which provided reimbursement to parents for money expended by them on transportation for their children to public and private schools, including parochial schools. 3/ The court distinguished between:

> "tax legislation which provides funds for the welfare of the general public and that which is designed to support institutions which teach religion." 4/

A further distinction was made between benefits bestowed upon religiously-oriented institutions as opposed to those granted to parents and children. The court maintained that the benefits at issue in this case were bestowed upon the parents and children and thus were not Constitutionally proscribed. 5/ This doctrine is often referred to as the "child benefit" theory. 6/

The case of Board of Education v. Allen upheld a state law which required school boards to purchase textbooks and lend them without charge to children enrolled in both public and private (including parochial) schools. In so doing, the court applied the following test:

> "The test may be stated as follows: what are the purposes and primary effect of the enactment. If either is the advancement or inhibition of religion then the enactment exceeds the scope of the legislative power as circumscribed by the Constitution. That is to say that to withstand the strictures of the Establishment Clause there must be a secular legislative purpose and a primary effect that neither advances nor inhibits religion . . ." Board of Education v. Allen, 392 U.S. 236, 243.

The court applied the test quoted above and found the purposes and primary effect of the statute permissible. The "purpose" of the Act was not to advance religion but merely to assist the children in obtaining school books free of charge. 7/ Its "primary effect" was secular since children in all schools, public and parochial, were the recipients. Furthermore, in this case, as in Everson, the court found that the benefit of the aid went to the children and not to religious institutions. 8/ In additional support of this finding, since books may not be as inherently non-sectarian as the school buses involved in the Everson case, the court found that there was no evidence on the record that religious books had been loaned, 9/ or that the processes of secular and religious training are so intertwined that secular textbooks furnished to the students by the public are instrumental in the teaching of religion. 10/ This finding leaves the door open for an expansion of the Everson doctrine in that it implies that items such as books, which are not necessarily as inherently secular as transportation, may be permissible if properly selected.

In Walz v. Tax Commission the Supreme Court upheld a New York statute exempting Churches from the state ad valorem property taxes. 11/ In this case the court criticized the assertion in Everson that no state may "pass laws which aid . . . all religions" 12/ and pointed out that the provision of textbooks did indirectly aid all religions by relieving them of the costs of such services. 13/ Thus the scope of permissible state assistance to religious organizations appeared to be broadened: the fact that religion was indirectly aided by the exemption from property tax was not fatal to its Constitutionality. The court in Walz also admitted, unlike Everson, the pervasive religious character of parochial schools. 14/ Finally, and perhaps most important, the Walz case developed a new area of Constitutional scrutiny by adding another prong to the Allen test: this new standard is commonly referred to as the "entanglements" test. Its addition, as summarized by the Supreme Court, countered the expansive thrust of the above changes in that it:

> "tended to confine rather than enlarge the area of permissible state involvement with religious institutions by calling for a close scrutiny of the degree of entanglement *involved in the relationship. The* objective is to prevent, as far as possible, the intrusion of either into the precincts of the other." Lemon v. Kurtzman, 403 U.S. 602, 614.

The court concluded that under the facts in Walz there did not exist excessive entanglement, partially on the grounds that a tax exemption involved less entanglement than would taxing churches. 15/

On June 28, 1971, after OEO had made the voucher feasibility grant to the School District, the Supreme Court rendered opinions on three major Church-State cases, two involving State programs of support for elementary and secondary schools and one involving Federal construction grants under the Higher Education Facilities Act of 1963. The latter case, Tilton v. Richardson, held the practice of awarding facilities construction grants to parochial higher education institutions to be consistent with both the Establishment and Free Exercise Clauses. 16/ The vote, however, was split 4-1-4.

The two companion cases dealing with elementary and secondary education both concerned "purchase of services" plans. In Lemon v. Kurtzman the state "purchased" certain "secular educational services" from non-public schools including teachers' salaries, textbooks and instructional materials. 17/ In Earley v. DiCenso the state statute at issue granted a salary supplement of 15% to non-public school teachers who agreed not to teach courses in religion. 18/ In both cases excessive entanglement was found to exist, due to the necessity of conducting continuing surveillance to verify that teachers were not teaching religious doctrines or courses. Furthermore, both Acts required inspection by the state of parochial school financial records. 19/ Although the court relied primarily upon the "entanglements" doctrine it did not supplant the "purpose" or "primary effect" tests originating in Allen, but merely supplemented them with another independent criteria. Thus the most recent succinct summary of the tests to be utilized in evaluating a Church-State relationship is as follows:

> "against this background we consider four questions: First, does the Act reflect a secular legislative purpose? Second, is the primary effect of the Act to advance or inhibit religion? Third, does the administration of the Act foster an excessive government entanglement with religion? Fourth, does the implementation of the Act inhibit the free exercise of religion?" Tilton v. Richardson, 403 U.S. 672, 678. [The court also added the Free Exercise consideration to complete its test.]

B. Design of the Voucher Demonstration

The "purchase of services" cases recently decided by the court appear to place serious limitations upon the financial participation of the parochial schools in the voucher demonstration. It appears that a rather narrow range of secular services rendered by parochial schools may be reimbursed, if, in addition, this can be accomplished without violating the stringent "entanglement" prohibition.

The cases suggest that voucher funds could conceivably be "earmarked" and traced to explicitly approved services (general welfare, fire, police, sewage disposal, transporation). Each service would be required to meet the standards described in the cases discussed above. However, since most of these services are not embraced in the public school budget, their reimbursement via the voucher would require participating parochial schools or the EVA to develop a reimbursement procedure involving many separate municipal service agencies. Further, this class of secular services does not represent a significant cost of education in the parochial schools. Proceeding with this admittedly conservative approach to parochial school participation raises the question whether the administrative inconvenience and cost associated with approved secular services does not exceed the financial benefit to the parochial schools.

An effort might be made to augment previously approved services beyond the general welfare category and to include textbooks, other general operating expenses, and perhaps the salaries of lay teachers who form a growing percentage of parochial school teaching manpower.

Each of these added services raises significant problems when set against the tests developed and applied by the court. For example, the mere fact that funds must be earmarked and traced in the parochial schools raises significant entanglements problems.

We believe the strongest arguments that may be advanced in defense of increasing voucher reimbursement to cover additional educational costs are as follows: First, it is arguable that a voucher demonstration could be designed in such a way that only the secular services rendered by parochial schools are reimbursed and that this could be accomplished without violating the stringent "entanglements" prohibition which has assumed so prominent a place in recent Church-State cases. This theory will be referred to as the "neutral benefit" theory. Second, a voucher plan could be designed so as to emphasize the fact that the voucher funds are placed under the control of private individuals before being dispensed. Thus it would not be the state but individuals who would bestow the benefits upon the parochial schools. Clearly the dispensation of funds to religious institutions by individuals, rather than by the State, raises no Constitutional objection. This will be referred to as the "indirect benefits" theory. These two theories will be discussed in detail in the following sections.

1. Neutral Funding

a. The Theory

Due to the above entanglements problems, tracing or earmarking of the funds going to parochial schools should probably not be attempted. Instead, only the amount of funds bestowed could be regulated by the quantity of secular education provided. The funds could then be spent on any service the school saw fit and entangling surveillance, to this extent, would be minimized. In effect, the funds would no longer be required to be earmarked but would be added to the school's general fund. Such a theory has the appeal of avoiding what could be called bookkeeping technicalities: as long as parochial school

reimbursement is limited to the amount of secular services provided, why does it matter that each dollar bill is not then traced to the particular service it has purchased?

This theory also has some Constitutional support, if the standards of the above cases are applied. First, the broad secular purpose of improving all education, public and private, could be emphasized at many points in the legislative process. Thus the purpose of the plan could easily be characterized as secular.

The second inquiry, whether inclusion of parochial schools in a voucher demonstration would have the "primary effect of advancing or inhibiting religion," is more difficult, since very little guidance can be gleaned from past court opinions. The recent cases of Lemon, Earley and Tilton do not clarify this primary effect issue in the least, since they focus so heavily upon the "entanglements" doctrine. Furthermore, no cases have evaluated, under the primary effects test, the most salient feature of a "neutral funding" scheme: although state contributions are limited in amount to the secular services provided, they still may be spent on any activities, religious or otherwise. Some cause for optimism as to the outcome of scrutiny under this test may be obtained from the fact that such a prohibited "primary effect" has only been found by the Supreme Court in three cases. Furthermore, all of these cases involved religious exercises conducted in public schools and were examples of state programs whose purpose was found to be the advancement of religion. 20/ However, although the issue has never been squarely met, the spirit of many of the recent cases would seem to demand an assurance that state funds were not being spent for religious purposes. The neutral funding theory, by its very nature, can provide no such guarantee. The spectre of voucher funds being spent upon the purchase of sectarian instructional staff time might prove fatal to its Constitutionality.

The third test referred to in Tilton is that of "excessive entanglements." That issue will be dealt with below when specific program designs are considered, since its outcome is so dependent upon the particular contours of the project.

The fourth and final issue is that of "free exercise."

> "finally, we must consider whether the implementation of the Act inhibits the free exercise of religion in violation of the First Amendment. Appellants claim that the Free Exercise Clause is violated because they are compelled to pay taxes, the proceeds of which in part finance grants under the Act. Appellants, however, are unable to identify any coercion directed at the practice of exercise of their religious beliefs. Board of Education v. Allen, supra, at 248-249. Their share of the cost of the grants under the Act is not fundamentally distinguishable from the impact of the tax exemption sustained in Walz or the provision of textbooks upheld in Allen." Tilton v. Richardson, 403 U.S. 672, 689.

The above test focuses narrowly on coercion which is directed at the practice or exercise of an individual's religious beliefs. No such coercion would necessarily be inherent in a neutral funding voucher demonstration: individuals could be free to choose whether to attend parochial or non-parochial schools as their religious beliefs dictated.

Thus, in summary, the "neutral funding" theory in the abstract would likely pass Constitutional muster under current doctrines with the exception of the "primary effect" test where it might encounter considerable difficulty. Furthermore, when specific neutral funding project designs are examined, serious entanglements problems emerge.

b. Design of a Neutral Funding Voucher Project

(1) Reduced Cost Vouchers

One project design which has been proposed by several commentators involves reimbursement for religious schools of a limited across the board percentage of the average cost voucher. For example, if the value of vouchers at non-sectarian schools was $1000 per pupil per year, religiously affiliated schools might only be paid 80% of that amount. The percentage reduction would be based upon the amount of time spent in religious instruction, assuming it is this activity alone which is found to be Constitutionaily offensive. This project design, however, would entail substantial entanglements. First, the

Lemon case singled out for special criticism the fact that in the subject statute the government was required to inspect school records to determine what part of the expenditures is attributable to secular education and how much to religious activity. 21/ Such inspection would be required to establish and verify the percentage of cost reducation selected for parochial schools under the proposed "reduced cost" design.

Second, the Lemon case criticizes the entanglement arising from the surveillance of teachers and classes by state administrators. 22/ It was argued above that little ongoing surveillance of this type is required by a "neutral cost" plan since funds are not required to be traced. However, under this "reduced cost" design, secular activities would be required to be identified for the purpose of establishing the appropriate percentage of cost reduction. Could the state really delimit these secular activities by merely looking at school account books? Conferences, negotiations and surveillance would likely be necessary. Thus it is unlikely that the above project design would pass a Constitutional scrutiny.

(2) Actual Cost Vouchers

Another possibility for the design of a "neutral funding" voucher system would establish a base value on the amount of the voucher equal to a percentage of the secular cost of education in the public schools. This amount could be raised by any school which documented that it had spent more than the basic sum on secular educational activities. Although in this case the burden of establishing costs is initially borne by the school, State verification of the figures would undoubtedly be required. Thus, the proposal is on only slightly better Constitutional footing than the above proposal.

(3) Secular Value Vouchers

Another alternative design for a "neutral funding" voucher system which reduces the entanglement problem:

> As long as the state has a reasonable standard for determining the secular value of the total service provided in exchange for voucher funds, it need not police classes from day to day. Year end academic achievement tests in secular subjects might serve this purpose. The state could, for example, simply say that any private school whose reading and math scores were equal to those in the worst public school was providing a secular service whose secular value was equal to what the worst public school spent. 23/

This proposal reduces the "continuing" entanglement to a minimum. The only entanglement would be a one-shot test. No parochial school records, financial or otherwise, would be required to be audited and no surveillance conducted. Finally, the proposal would not be "politically divisive" since amounts would be established mathematically by audits of public schools. California's Supreme Court has rejected the notion of unequal district educational expenditures and assuming cost per pupil expenditures are equalized, it is conceivable that the value of an adjusted cost per pupil in public education would exceed that now provided in the Catholic schools at least.

However, several policy objections might be raised to such a project design. First, basing such an important decision upon a one-shot test might be deemed undesirable. However, extensive state testing programs would again raise the issue of entanglement. Second, the search for a test which is sufficiently reliable could result in conflict and might be futile. Third, religiously affiliated schools would be reluctant to make expenditures during the course of the year on the assumption that their pupils will perform well on the year end test and generate reimbursement. This problem could be remedied by certifying schools for participation on the basis of the prior year's performance. However, for the first year of such a project there would not have existed any uniform standardized testing scheme on which to base certification.

Lastly, the actual per pupil costs in the parochial sector in San Francisco vary widely and compensating these schools for their cost of "secular" services rendered becomes a fiction. If not fictitious, the likelihood of over-reimbursement for certain schools could result in a "windfall" gain to these schools.

c. Conclusions

The "neutral funding" theory in the abstract presents substantial Constitutional weaknesses, particularly under the "primary effects" test. Furthermore, when particular project designs are considered, excessive entanglements arise in most cases. The secular value voucher proposal, accompanied by annual testing, minimizes these entanglements. However, considerable policy objections confront the institution of such a plan.

2. Indirect Benefits

a. The Theory

This theory might sustain the inclusion of parochial schools in a voucher program by conceptualizing the voucher funds as being under the control of individual parents rather than the State. Clearly, there is no Constitutional bar to an individual contributing his own funds to a church or parochial school to be used for religious purposes. Thus there would be no necessity of tracing the funds, and the entanglements would thereby be reduced.

Several analogies to this proposal exist. For example, under the G.I. Bill veterans may attend public, private or even seminary schools. 24/

In several of the precedents discussed above, the court has placed great weight upon the fact that aid did not go directly to the religiously affiliated institution. In Everson it was deemed important that the benefits of reimbursement for transportation were bestowed upon the parents and children rather than the institution. In Allen this distinction was repeated with reference to textbooks. One commentator remarks, in this regard, with reference to the Allen case:

> ". . . the child-benefit theory may survive as an expression of the view that Constitutional differences inhere in the conduit through which the aid passes . . . Direct aid to church related institutions would be impermissible while aid to students would be permissible because any aid channeled to the school through student subsidies would be indirect."
> Valente, "Aid to Church Related Schools," 50 Va. L.R. 579, 590.

In Walz the fact that aid, in the form of a tax exemption, was indirectly dispensed to the Church and was not held to be fatal. Furthermore, the Walz case criticized the denial in Allen that aid to children in the form of textbooks inured to the benefit of the parochial schools. Finally, in one of the most recent cases on the subject it was held that the fact that aid was dispensed to the institution was a "further defect." 25/

b. Conclusion

This theory, however, appears to suffer from several fatal defects when applied to the OEO voucher model. First, it would be difficult if not impossible to design a voucher system that held out more than a perfunctory appearance of "giving" the funds to the parents and thereby converting them into "private" funds. The vouchers could only be "spent" in schools which would agree to accept numerous restrictions. For example, desegregation requirements will necessitate that numerous restrictions be placed upon the schools at which certain individuals may utilize their vouchers. Second, it has been asserted flatly and repeatedly by the courts that no tax shall be used to support religious activities. Until the courts more clearly define "religious" activities, payment for any educational services conducted by parochial institutions seems suspect. Third, this theory says too much: if the voucher funds are truly private then no limit would arise, as a result of the Constitution, upon the amount going to parochial schools. Clearly no ceiling may be set upon private contributions to religious institutions. Thus there would be no necessity to limit voucher assistance to the value of secular services rendered or any other amount. Finally, if the court concludes that, by this fiction, vouchers consist of purely private funds, then consistency would dictate declaring their expenditure

at schools which discriminate on racial grounds as permissible: discrimination by private individuals in the expenditure of their own funds is, in most such cases, not reached by the Constitution. Past precedent in the area of racial discrimination, however, indicates fairly clearly that such a conclusion, as will be discussed in a following section, would not be accepted under these circumstances.

II. Non-Racial Discrimination in Parochial Schools

A. Discrimination on Religious Grounds

If it is decided to include parochial schools in the voucher demonstration, there are some hints contained in recent cases that such participation would be ruled unconstitutional if the schools discriminated on religious grounds in their admissions policy:

> "if the evidence in any of these cases showed that any of the involved schools restricted entry on . . . religious grounds or required all students gaining admission to receive instruction in the tenets of a particular faith . . . the legislation to that extent would be unconstitutional." Lemon v. Kurtzman, 403 U.S. 602, 671 (White, dissenting).
>
> ". . . when a sectarian institution accepts state financial aid it becomes obligated under the Equal Protection Clause of the Fourteenth Amendment not to discriminate in admissions policies and faculty selection. Id at 641 (Brennan, dissenting).

The parochial schools in San Francisco do enforce a preference in favor of applicants of their denomination. At this time they are unwilling to abandon this policy.

B. Discrimination on Economic Grounds

A recent California Supreme Court case delineates a very strict test for application in cases of state-imposed discrimination on economic grounds in the area of education:

> We have determined that this funding scheme invidiously discriminates against the poor because it makes the quality of a child's education a function of the wealth of his parents and neighbors. Recognizing as we must that the right to an education in our public schools is a fundamental interest which cannot be conditioned on wealth, we can discern no compelling state purpose necessitating the present method of financing. We have concluded, therefore, that such a system cannot withstand Constitutional challenge and must fall before the Equal Protection Clause. Serrano v. Ivy Baker Priest, 5 Cal. 3d 584 ____P. 2d____ (1971) 26/

C. Effects of Non-Racial Discrimination

If the application of any criteria such as religion, wealth or ability resulted in a disparate enrollment of minority pupils, whether or not that criteria was held to per se violate the Equal Protection Clause or not, the restrictions which will be discussed in the following section would come into play.

III. Racial Discrimination

A. The San Francisco Court Order

On April 28, 1971, Judge Stanley Weigel issued a Memorandum and Order requiring the San Francisco Unified School District to file a plan for the desegregation of its schools. 27/ Judge Weigel found:

> ". . . that segregation which exists in San Francisco's public elementary schools results from state action and is unconstitutional . . ."

He then proceeded to order the filing of a plan to implement:

> "Full integration of all public elementary schools so that ratio of black children to white children will then be and thereafter continue to be substantially the same in each school."

An acceptable plan was filed and has been implemented by the School District.

B. Appeal

At present this order is before the Court of Appeals. It is improbable, in our opinion, that appeal of the above Order would be successful for three reasons. First, as the Order asserts, busing, racial quotas and required attendance all have repeated sanctions in past precedent when required to eradicate the effects of past de jure desegregation. See especially Swann v. Charlotte-Mecklenburg Board of Education, 91 S. Ct. 1267, 39 U.S. L.W. 4437 (1971). Second, the court did not design the desegregation plan but instead accepted a plan submitted by the School District. Thus any attack on the design of the remedy is greatly weakened. Third, above Swann case disavows any "rigid rules . . . to govern all situations," thereby granting the court considerable discretion once the finding of de jure segregation is made. Thus, an appeal is unlikely to be successful. In a recently decided case in Richmond, Virginia, the court made an order requiring the merger of the predominately Black Richmond school system with the two surrounding white country systems in order to achieve integration.

C. Effect of the Order Upon A Voucher Demonstration

It is by no means entirely clear what effect the proposed voucher demonstration program would have upon the racial balance of the schools in the district. In all probability the OEO admissions formula, however, would result in less integration than that achieved at present. There is language in the order indicating that the Judge will scrutinize the project to assure compliance with the order:

> ". . . a plan should . . . insure accomplishment of at least the following objectives. . .:
>
> . . . Avoidance of the use of tracking systems or other educational techniques or innovations without provision for safeguards against racial segregation as a consequence."
>
> ". . . the court . . . retains jurisdiction to take such further action at any time as it may deem necessary to provide for compliance."

The authority of the court to insist on such continuing powers of surveillance has been repeatedly asserted. For example, in several instances jurisdiction has been retained indefinitely. 28/ It would be difficult to legally contradict the Judge's assertion of jurisdiction over the adoption of a voucher demonstration not only for the reason elaborated above, but also for reasons very similar to these which make an appeal of the order unlikely to succeed: once the finding concerning the de jure origins of the segregation has been made, the court is granted great flexibility in fashioning and controlling the remedies. One commentator asserts:

> "The [Swann] decision left the lower courts with considerable latitude in assessing the Constitutionality of a school district's desegregation plan. May, "Busing, Swann v. Charlotte - Mecklenburg, and the future of the future of desegregation in the fifth circuit." 49 Tex. L.R. 884, 886.

Furthermore, respite cannot necessarily be found in the assertion that a voucher plan might not itself represent an effort at causing or perpetuating de jure segregation. Once de jure segregation is found to exist, it has been held that an affirmative duty arises to alleviate the problem. 29/

D. Effect of the Court Order Upon Participating Parochial Schools.

The specific terms of Judge Weigel's order obviously do not refer to parochial schools. Instead, the scope of the order covers the "public elementary schools." This term would, in all probability, be interpreted to encompass all schools to which the Fourteenth Amendment standards dealt with in the order apply. 30 /

It is virtually certain that all schools participating in an education voucher program, including parochial schools, would be held to be subject to the Equal Protection Clause of the Fourteenth Amendment and its prohibition against certain kinds of state supported racial discrimination. Recent cases have easily found "state action" sufficient to invoke the Amendment. 31/

> "in summary, voucher schools appear to be subject to the Equal Protection Clause of the Fourteenth Amendment under the state action doctrine because: (1) they perform a public function; (2) they are subject to extensive state regulation; and (3) they receive state financial support." Center for the Study of Public Policy, "Education Vouchers" (December 1970), at 259.

E. Obtaining Judicial Deference

An argument could be constructed which might convince the Judge to exercise his discretion in favor of the conduct of the voucher demonstration project: the initial pilot program will be rather small in size and may provide considerable beneficial feedback to many aspects of the education process. Not the least of these might be to explore the beneficial effects which a voucher program might have upon a desegregation plan. For example, its "freedom of choice" element might help reduce community tension by maximizing, to the extent consistent with racial guidelines, the element of voluntariness.

F. Accommodating the Demonstration to the Court Order

Several steps could be taken to accommodate the voucher demonstration to the desegregation requirements of the court order. First, participating schools and pupils could be chosen in such a way as to make it less likely that great disparities in the ratios of minority pupils would result. This might, however, reduce the usefulness of the program as a true demonstration project. Second, a variety of restrictions could be placed on the "freedom of choice" of pupils to select the school they attend. Numerous alternatives have been proposed which limit the choices only marginally, including:

1. Requiring that minorities be admitted in proportion to the number of minority applicants.
2. Random admissions to at least half the places in an oversubscribed school.

The choice among such models would be based heavily upon a purely empirical assessment as to whether it would result in the required racial balance. 32/ Advocates of the model ultimately chosen, however, would have the burden of convincing the court that the demonstration model was not inimical to the requisite racial balance. In light of the uncertainties surrounding the pupil's choice of schools, and the limited restrictions placed upon their freedom of choice by these proposals, this burden might be considerable if not impossible to bear.

An alternative model might reduce these difficulties: pupils could be required to list all participating schools in order of their preference. A computer could then be utilized to optimize their deployment, subject to the "similar racial ratios" requirement in the order. In short, freedom of choice would be delimited by the requirements of racial balance, rather than vice versa. In this way the court's racial balance requirements would be virtually certain to be met, particularly if parochial schools did not participate.

This system could contain several caveats. For example, it would likely be a violation of the Free Exercise Clause to require attendance at a parochial school of children not wishing to attent such schools. Conversely, it is possible that refusing to allow children desiring to attend parochial schools to do so might encounter Constitutional difficulties. Thus, these possibilities could be eliminated. 33/ The voucher might also contain a stipulation that children attending a particular school would be accorded a certain preference if they desired to return to the same school the following year. Finally, a preference in favor of having children from the same family attend the same or nearby school might be incorporated into the selection system.

IV. Summary

As the above comments make clear, thepermissible specifications for a viable voucher program are severly restricted by Constitutional dictates as interpreted by several recent cases.

A. Any voucher demonstration which included the participation of parochial schools would run considerable risk of having such participation held unconstitutional.

B. A voucher model must present considerable likelihood of resulting in "similar racial ratios" for all participating schools in order to survive the judicial scrutiny imposed by the recent court order.

FOOTNOTES

1/ The Free Exercise Clause was first held to apply to the states in Cantwell v. Connecticut, 310 U.S. 296 (1940). The Establishment Clause was first applied to the states in Everson v. Board of Education, 330 U.S. 1 (1947).

2/ "It is simply the case of a secular corporation being managed by people who hold the doctrines of the Roman Catholic Church . . . There is nothing sectarian in the corporation. . ."
175 U.S. 291, 299 (1899).

3/ 330 U.S. 1 (1946).

4/ 330 U.S. 1, 17. The Court analogized transportation to "such general governmental services as ordinary police and fire protection, connections for sewage disposal, public highways and sidewalks." Id at 17-18

5/ "The legislation does no more than provide a general program to help parents get their children, regardless of their religion, safely and expeditiously to and from accredited schools." Id at 18.

"The 'establishment of religion' clause of the First Amendment means at least this: . . . Neither [a state nor the Federal government] can pass laws which aid one religion, aid all religions or prefer one religion over another. . . No tax in any amount, large or small, can be levied to support any religious activities or institutions, whatever they may be called, or whatever form they may adopt to teach or practice religion."
Id. at 15-16, 67 S. Ct. at 511-12.

6/ Valente, "Aid to Church Related Education," 55 Va. L.R. 579, 590.

7/ Id at 243.

8/ In Allen, books were furnished at the request of the pupil and title remained in the state. Id at 244.

9/ 392 U.S. 236, 245 (1967).

10/ Id at 248.

11/ 399 U.S. 664, (1970)

12/ 330 U.S. 1, 15. This passage was also cited with approval Allen, 392 U.S. 236, 242.

13/ 397 U.S. 664 (1970). "making textbooks available to pupils in parochial schools in common with public schools was surely an 'aid' to the sponsoring churches because it relieved those churches of the enormous aggregate cost of those books." Id at 671-72.

14/ The Court recognized that a "dominant policy of church schools" is providing "future adherents to a particular faith." Id at 671.

15/ "The test is inescapably one of degree . . . The questions are whether the involvement is excessive, and whether it is a continuing one calling for official and continuing surveillance leading to an impermissible degree of entanglement." 397 U.S. 664.

16/ 403 U.S. 672. Only that portion of the law which allowed unrestricted reversion of the subsidized facilities to such religiously-oriented higher education institutions after a period of 20 years was declared unconstitutional since it resulted in a gift whose primary effect was to advance religion.

17/ 403 U.S. 602.

18/ Id.

19/ Id at 614.

20/ Abington v. Schempp, 374 U.S. 203 (1963); Engle v. Vitale, 370 U.S. 421 (1962); and Illinois ex rel. McCollum v. Board of Education, 333 U.S. 203 (1948).

21/ 403 U.S. 602, 620.

22/ Id at 617.

23/ Center for the Study of Public Policy, "Education Vouchers" (December, 1970).

24/ 72 Stat. 1177 (1958), 38 U.S.C. 1620.

25/ 403 U.S. 602, at 610.

26/ See also Van Dusantz v. Hatfield, _____F. Supp. _____ (D. Minn. 1971); Rodriguez v. San Antonio Independent School District, _____F. Supp. _____ (D. Texas 1971).

27/ David Johnson v. San Francisco Unified School District, No. C-70 1331 SAW.

28/ Singleton v. Jackson Municipal Separate School District, 426 F. 2d 1364, 1370 (5th Cir. 1970), cert. denied 39 U.S.L.W. 3482 (U.S. May 4, 1971).

29/ ". . . [school boards] operating state-compelled dual systems . . . [are] clearly charged with the affirmative duty to take whatever steps might be necessary to convert to a unitary system in which racial discrimination would be eliminated root and branch." Green v. County School Board, 391 U.S. 430 (1968).

30/ If this is not the case, it is virtually certain that the order would be modified to so declare, since the same Fourteenth Amendment standards with regard to racial discrimination would apply to parochial schools, as will be discussed.

31/ For example, in Burton v. Wilmington Parking Authority the Supreme Court applied the Amendment's prohibition against racial discrimination to a privately-owned restaurant which was merely leased from the state and located in a state-owned garage. 365 U.S. 715 (1961).

32/ An eye should also be kept to selecting those requirements which minimize entanglements if parochial schools are participating in the project.

33/ It should be noted, however, that the addition of these two caveats might make racial balance, particularly in parochial schools, impossible to achieve. Thus still another reason for prohibiting the participation of such schools in the voucher demonstration emerges.